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Economic Appraisal Service

Economic Analysis Branch

Department of Industry and Commerce

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PREFACE

Many types of studies (statistical, demographic, etc.) carried out within the Department and elsewhere in the course of the year provide useful indications of the short-term performance of our economy.

However, it is useful to evaluate the development of the Québec economy at the end of each year, in order to assess what has been accomplished and to venture some forecasts for the following year.

The Economic Studies Branch therefore presents, for the ninth consecutive year, its annual report on the economic situation in Québec, which is a record of the year's economic activity.

The report was prepared by a team working under the personal direction of Mr. Jean-P. Vézina, Director of the Economic Analysis Branch, and under the supervision of Mr. Gilles Lebel, Assistant Director-General of the Industrial Economy Branch.

Claude Descoteaux

Assistant Deputy Minister

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INTRODUCTION

The North American economy in 1969 was marked by a rapid expansion attended by serious inflationary pressures. By year's end, however, the effects of the restrictive measures adopted in 1968 began to be felt.

The economic situation in the United States

The Gross National Product of the United States rose to $933.3 billion in 1969, an increase of 7.7%. There was an investment total of $140 billion (+10.8%). Household consumption went up 7.3% and the industrial production index, pegged at 169 by early-year forecasts, actually reached 172.2.

This peak period in the business cycle was attended by fast-rising prices and costs. The consumer price index rose by 5.4%. There were substantial wage increases and interest rates reached an all-time high in 1969.

Selected economic indicators fluctuated during the year. Between July and December, industrial production declined by 2%, and the rise in total spending on goods and services in the latter half of the year was almost entirely due to higher prices. This year-end situation foreshadowed a slowdown, a contingency that was confirmed by the rise in the unemployment rate during the first months of 1970.

TABLE 1

ECONOMIC INDICATORS

QUÉBEC

	Unit of measure	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
Gross national product at market prices (1)	$'000,000	14,233	15,832	17,025	18,314	19,900	11.2	7.5	7.6	8.7
Personal income (1) (2)	"	10,555	11,820	13,139	14,263	15,700	12.0	11.2	8.6	10.1
Per capita personal income (1)	$	1,857	2,045	2,239	2,406	2,624	10.1	9.5	7.5	9.1
Salaries, wages and supplementary labour income (1)	$'000,000	7,719	8,767	9,672	10,405	11,550	13.6	10.3	7.6	11.0
Total capital expenditure	"	3,206	3,447	3,214	3,175	3,249	7.5	- 6.8	- 1.2	2.3
- Manufacturing sector	"	550	686	605	600	598	24.7	- 11.8	- 0.8	- 0.3
Value of manufacturers' shipments	"	9,492	10,380	10,946	11,334	12,230	9.4	5.5	3.5	7.9
Personal expenditure on goods and services	"	8,714	9,421	10,281	10,768	11,696	8.1	9.1	4.7	8.6
Retail trade (total)	"	5,515	5,857	6,271	6,460	6,830	6.2	7.1	3.0	5.7
Consumer price index (Montreal)	1961=100	106.7	109.9	114.2	118.1	121.8	3.0	3.9	3.4	3.1
Population (June 1st)	'000	5,685	5,781	5,868	5,927	5,984	1.7	1.5	1.0	1.0
Labour force	"	2,022	2,116	2,196	2,227	2,290	4.6	3.8	1.4	2.8
Employment (total)	"	1,912	2,016	2,080	2,082	2,132	5.4	3.2	0.1	2.4
Non-farm employment	"	1,796	1,910	1,966	1,961	2,025	6.3	2.9	- 0.3	3.3
Rate of unemployment	%	5.4	4.7	5.3	6.5	6.9				

* Preliminary.

(1) Data revised according to new National Accounts series.
(2) Does not include income of Quebecers residing abroad.

SOURCES: Private and Public Investment in Canada (61-205); Manufacturing Industries (31-205); Retail Trade (63-205); Canadian Statistical Review (11-003); Prices and Price Indexes (62-002); Labour Force (71-001) D.B.S.; Economic Appraisal Service, Economic Analysis Branch.

TABLE 2

ECONOMIC INDICATORS

CANADA

	Unit of measure	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
								%		
Gross national product at market prices (1)	$'000,000	54,897	61,421	65,608	71,454	78,099	11.9	6.8	8.9	9.3
Personal income (1)	"	40,591	45,702	50,207	55,170	61,000	12.6	9.9	9.9	10.6
Per capita personal income (1)	$	2,066	2,283	2,461	2,660	2,896	10.5	7.8	8.1	8.9
Salaries, wages and supplementary labour income (1)	$'000,000	28,181	31,907	35,275	38,493	43,131	13.2	10.6	9.1	12.0
Total capital expenditure	"	12,865	15,090	15,322	15,455	16,612	17.3	1.5	0.9	7.5
-Manufacturing sector	"	2,340	2,914	2,534	2,199	2,544	24.5	- 13.0	- 13.2	15.7
Value of manufacturers' shipments	"	33,889	36,928	38,533	40,649	43,414	9.0	4.3	5.5	6.8
Personal expenditure on goods and services	"	33,134	36,057	38,998	42,360	46,359	8.8	8.2	8.6	9.4
Retail trade (total)	"	20,954	22,416	23,785	25,411	27,065	7.0	6.1	6.8	6.5
Consumer price index (Canada)	1961=100	107.4	111.4	115.4	120.1	125.5	3.7	3.6	4.1	4.5
Population (June 1st)	'000	19,644	20,015	20,405	20,744	21,061	1.9	1.9	1.7	1.5
Labour force	"	7,141	7,420	7,694	7,919	8,162	3.9	3.7	2.9	3.1
Employment (total)	"	6,862	7,152	7,379	7,537	7,780	4.2	3.2	2.1	3.2
Non-farm employment	"	6,268	6,609	6,820	6,992	7,245	5.4	3.2	2.5	3.6
Rate of unemployment	%	4.0	3.6	4.1	4.8	4.7				

* Preliminary.

(1) New National Accounts series, D.B.S.

SOURCES: Private and Public Investment in Canada (61-205); Manufacturing Industries (31-205); Retail Trade (63-205); Canadian Statistical Review (11-003); Prices and Price Indexes (62-002); Labour Force (71-001) D.B.S.; Economic Appraisal Service, Economic Analysis Branch.

The economic situation in Canada

For the Canadian economy, too, 1969 was a fast-growth year. The G.N.P. was up 9.3% compared with 8.9% for 1968. Increases in salaries and wages (12.0%) and personal income (10.6%) were also above the 1968 level.

Demand advanced at a brisk pace. Canadian imports rose by 14.9% and personal expenditure on goods and services by 9.4%. It is to be noted, however, that the consumer price index rose from 120 to 125.5. The latest available data on capital expenditure indicate a 7.5% increase for 1969, while the D.B.S. mid-year survey had predicted 10.7%. The performance of the first few months fully justified such expectations. However, work stoppages in the construction sector and in the steel industry, as well as tight money, delayed the start or completion of numerous projects and this accounts for the slackening of capital expenditure in the second half of 1969.

During the second half-year, the industrial production index recorded its first decline since 1960. A comparison of monthly unemployment rates since September 1969 with those for the corresponding period in 1968 also shows a worsening of the situation on the labour market. Judging by year-end developments, the Canadian economy is likely to advance less rapidly in 1970.

The economic situation in Québec

The over-all growth rate of the Québec économy for 1969 was comparatively high. Gross national product increased by 8.7%, personal expenditure on goods and services by 8.6%, personal income by 10.0% and salaries and wages by 11.0%.

TABLE 3

NATIONAL INCOME AND GROSS NATIONAL PRODUCT

CANADA

	1965	1966	1967	1968	1969*
	millions of dollars				
Salaries, wages and supplementary labor income	28,181	31,907	35,275	38,493	43,131
Military pay and allowances	677	751	839	860	886
Corporation profits before taxes	6,574	6,913	6,774	7,442	7,981
Deduct: dividends paid to non-residents	- 815	- 835	- 828	- 876	- 846
Interest and miscellaneous investment income	1,846	2,015	2,337	2,580	3,042
Net income of farm operators from farm production	1,397	1,958	1,306	1,471	1,507
Net income of non-farm unincorporated business including rent	3,424	3,650	3,926	4,218	4,355
Inventory valuation adjustment	- 315	- 327	- 323	- 317	- 620
Net national income at factor cost	40,969	46,032	49,306	53,871	59,436
Add: Indirect taxes less subsidies	7,280	8,056	8,786	9,677	10,677
Add: Capital consumption allowances and miscellaneous valuation adjustments	6,800	7,414	7,896	8,449	8,885
Residual error of estimate	- 152	- 81	- 380	- 543	- 899
Gross national product at market prices	54,897	61,421	65,608	71,454	78,099

* Estimated

SOURCE: National Accounts, new series, D.B.S.

TABLE 4

NATIONAL INCOME AND GROSS NATIONAL PRODUCT (1)

QUEBEC

	1965	1966	1967	1968	1969*
	millions of dollars				
Salaries, wages and supplementary labor income	7,719	8,767	9,672	10,405	11,550
Military pay and allowances	81	86	101	103	
Corporation profits before taxes owed to Quebec residents	1,411	1,486	1,384	1,528	
Interest and miscellaneous investment income	467	498	567	616	
Net income of farm operators from farm production	142	192	169	187	
Net income of non-farm unincorporated business including rent	806	853	920	982	
Inventory valuation adjustment	-77	-80	-75	-74	
Net national income at factor cost	10,549	11,802	12,738	13,747	
Add: Indirect taxes less subsidies	2,090	2,278	2,545	2,614	
Net national product at market prices	12,639	14,080	15,283	16,361	
Add: Capital consumption allowances and miscellaneous valuation adjustments	1,633	1,773	1,841	1,953	
Gross national product at market prices	14,233	15,832	17,025	18,314	19,900

* Estimated.

(1) Data revised according to new National Accounts series.

SOURCE: Economic Appraisal Service, Economic Analysis Branch.

There was a recovery at the beginning of 1969 and the principal economic variables recorded high growth rates during the first six months of the year. That period was marked by a rapid increase in contracts awarded, value of manufacturers' shipments and employment. The annual net growth rate of non-farm employment was 80,000 during the first months of the year. However, during the second half-year, and more particularly during the last months of 1969, a number of sectors recorded slowdowns, Like the American and the Canadian economies, the Québec economy felt the effects of the measures adopted to fight inflation.

Nevertheless, Québec is not subject to the same inflationary pressures as other parts of Canada. In fact, the Montréal consumer price index even moved in the opposite direction to the Canadian index. The rate of increase of the Montréal index dropped from 3.9% in 1967 to 3.4% in 1968 and to 3.1% in 1969. During the same period, the rate of increase of the Canadian index rose from 3.6% to 4.1% and 4.5%. Despite a substantial increase in non-farm employment, the unemployment rate remained higher than in 1968. Demand could not be termed inflationary. Retail sales grew at a normal rate (5.7%) and private investment did not show a strong upward tendency. It is obvious that the Québec economy is not overheated and that the restrictive measures adopted by the federal Government are based on a national average that does not necessarily reflect the situation obtaining in a given region.

SECTION I

POPULATION, LABOUR, EMPLOYMENT AND UNEMPLOYMENT

Population

In 1969, there was a slight decrease in the population growth rate, which dropped from 1.01% to 0.96%. On June 1st, 1969, the population stood at 5,984,000. The steady decline of the population growth rate, which began in Québec in 1958, has also been affecting Ontario and Canada as a whole during the past two years, though their 1969 rates - 2.0% and 1.5% respectively - remained higher than Québec's.

Death rates per 1,000 population in Québec, Ontario and Canada were at the lowest level ever recorded. This is largely due to the widening of the age pyramid at the base, that is to say to the fact that the proportion of young people in the population is ever increasing.

The number of births in Québec declined by 1.2% in 1969. The birth rate per 1,000 population fell from 16.5 to 16.2. The situation is different in Ontario, where births increased by 3.4% and the birth rate rose from 17.4 to 17.6.

Despite the trend towards smaller families, the number of births and the birth rate are expected to increase during the next few years.

"...even if the average number of children born to one woman continues to decrease, the marked increase in the female population of reproductive age during the next decade will very likely result in an

TABLE 5

POPULATION GROWTH

Year	Population '000	Population Variation %	Births No.	Births Rate per 1,000 pop.	Deaths No.	Deaths Rate per 1,000 pop.	Natural increase No.	Natural increase Rate per 1,000 pop.
				QUEBEC				
1964	5,584	1.88	130,845	23.4	37,552	6.7	93,293	16.7
1965	5,685	1.81	120,607	21.2	38,534	6.8	82,073	14.4
1966	5,781	1.69	109,878	19.0	38,680	6.7	71,198	12.3
1967	5,868	1.50	101,471	17.3	38,665	6.6	62,806	10.7
1968	5,927	1.01	97,965	16.5	39,625	6.7	58,340	9.8
1969	5,984	0.96	96,779	16.2	39,158	6.5	57,621	9.6
				ONTARIO				
1964	6,631	2.31	152,729	23.0	52,204	7.9	100,525	15.1
1965	6,788	2.37	141,610	20.9	54,346	8.0	87,264	12.9
1966	6,961	2.55	131,942	19.0	54,171	7.8	77,771	11.2
1967	7,149	2.70	127,309	17.8	54,678	7.7	72,631	10.1
1968	7,306	2.20	127,142	17.4	56,033	7.7	71,109	9.7
1969	7,452	2.00	131,505	17.6	56,225	7.5	75,280	10.1
				CANADA				
1964	19,291	1.90	452,915	23.5	145,850	7.6	307,065	15.9
1965	19,644	1.83	418,595	21.3	148,939	7.6	269,656	13.7
1966	20,015	1.89	387,710	19.4	149,863	7.5	237,847	11.9
1967	20,405	1.95	370,894	18.2	150,283	7.4	220,611	10.8
1968	20,744	1.66	366,751	17.7	153,302	7.4	213,449	10.3
1969	21,061	1.53	371,365	17.6	154,449	7.3	216,916	10.3

Note: Population at June 1st.

SOURCES: Canadian Statistical Review (11-003); Vital Statistics (84-202 and 84-001), D.B.S.

CHART I

LABOUR FORCE AND EMPLOYMENT

QUÉBEC

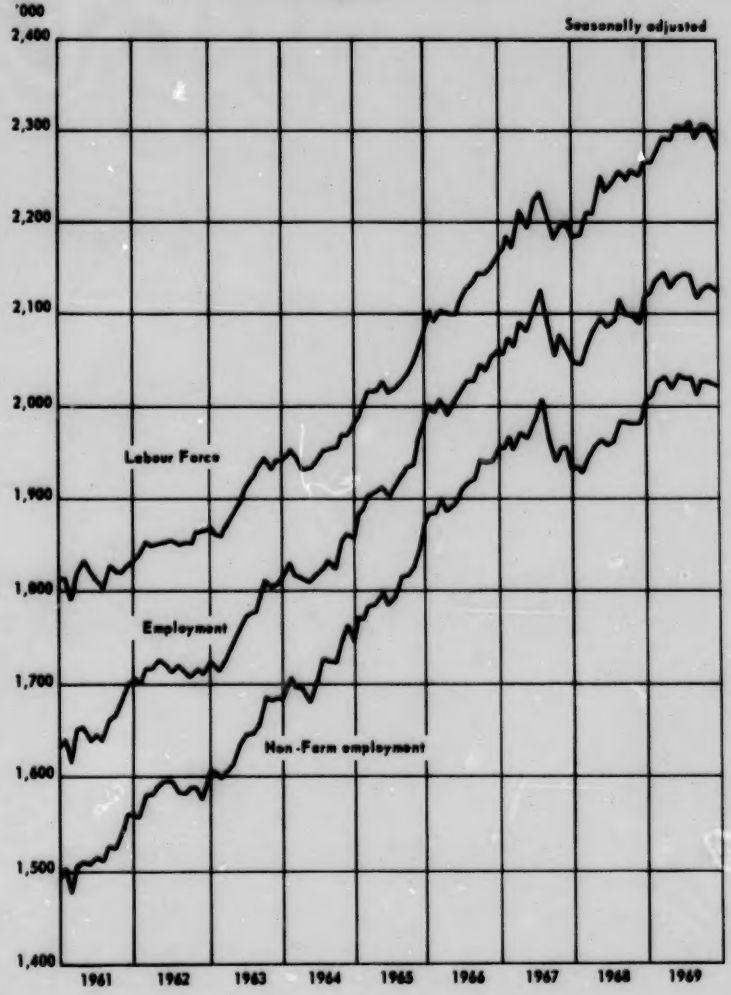

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TABLE 6

LABOUR FORCE, EMPLOYMENT, UNEMPLOYMENT

QUEBEC - ONTARIO - CANADA

Year	Labour Force			Employment			Unemployment		
	'000	Variation '000	Rate per 1,000 pop.	'000	Variation '000	Rate per 1,000 pop.	'000	Variation '000	Unemployment rate
					Québec				
1965	2,022	71	356	1,912	85	336	109	-15	5.5
1966	2,116	94	366	2,016	104	349	100	- 9	4.7
1967	2,196	80	374	2,080	64	354	116	16	5.3
1968	2,227	31	376	2,082	2	351	145	29	6.5
1969	2,290	63	383	2,132	50	356	158	13	6.9
					Ontario				
1965	2,614	58	385	2,548	75	375	66	-17	2.6
1966	2,719	105	391	2,651	103	381	69	3	2.5
1967	2,834	115	396	2,745	94	383	89	20	3.1
1968	2,934	100	402	2,830	85	387	104	15	3.6
1969	3,032	98	407	2,936	106	394	95	- 9	3.1
					Canada				
1965	7,141	208	364	6,862	253	349	280	-44	4.0
1966	7,420	279	371	7,152	290	357	267	-13	3.6
1967	7,694	274	377	7,379	227	362	315	48	4.1
1968	7,919	225	382	7,537	158	363	382	67	4.8
1969	8,162	243	388	7,780	243	369	382	-	4.7

SOURCE: Labour Force (71-001), D.B.S.

increased number of births and in a rise in the birth rate, which is estimated at 19 per 1,000 population for 1971, an annual average of 21.4 from 1971 to 1976 and an annual average of 22.4 for the following five years..." (1)

Labour

Both in Québec and in Canada as a whole, the labour force grew faster in 1969 than in 1968. In 1969, Québec's labour force numbered 2,290,000, 63,000 workers more than the previous year. This trend is likely to continue in the years to come as many young people who were born after the war gradually arrive on the labour market.

Female participation in the labour force is growing rapidly. In 1953, women accounted for 23.1% of the labour force, eight years later for 25.1%, and today for 30.9%. This trend is also expected to continue, although girls now stay longer at school.

Employment and unemployment

Québec's net employment growth, i.e., the difference between newly opened jobs and those that were abolished, was 50,000 in 1969. As the labour force grew faster than employment, there were another 13,000 unemployed.

After two consecutive increases, in 1967 and in 1968, farm employment fell by 14,000 in 1969. The increase had been accidental and quite contrary to long-term trends. Thus the situation reverted to normal in 1969, but those 14,000 farm workers became part of the non-farm work force.

Non-farm employment, up by 64,000 over 1969, grew at roughly the same rate as the labour force. However, it would have taken

---

(1) Gilles Lebel - Horizon 1980 - Dept. of Industry and Commerce, 1970.

TABLE 7

LABOUR FORCE, EMPLOYMENT, UNEMPLOYMENT

MONTH-BY-MONTH COMPARISON

1968 - 1969

QUÉBEC

MONTH	LABOUR FORCE '000			EMPLOYMENT '000			UNEMPLOYED '000			NON-FARM EMPLOYMENT '000		
	1	2	3	1	2	3	1	2	3	1	2	3
	1968	1969	(2-1)	1968	1969	(2-1)	1968	1969	(2-1)	1968	1969	(2-1)
J	2,136	2,221	85	1,970	2,034	64	166	187	21	1,877	1,944	67
F	2,133	2,208	75	1,954	2,022	68	179	186	7	1,869	1,936	67
M	2,146	2,231	85	1,957	2,041	84	189	190	1	1,858	1,949	91
A	2,188	2,273	85	2,013	2,091	78	175	182	7	1,895	1,987	92
M	2,213	2,294	81	2,079	2,128	49	134	166	32	1,947	2,008	61
J	2,294	2,356	62	2,151	2,204	53	143	152	9	2,016	2,094	78
J	2,338	2,408	70	2,208	2,269	61	130	139	9	2,049	2,127	78
A	2,327	2,395	68	2,203	2,257	54	124	138	14	2,047	2,122	75
S	2,250	2,277	27	2,151	2,153	2	99	124	25	2,012	2,038	26
O	2,241	2,290	49	2,128	2,155	27	113	135	22	1,999	2,046	47
N	2,234	2,274	40	2,100	2,131	31	134	143	9	1,992	2,037	45
D	2,221	2,256	35	2,069	2,104	35	152	152	-	1,974	2,014	40
Yearly average	2,227	2,290	63	2,082	2,132	50	145	158	13	1,961	2,025	64

SOURCE: Labour Force (71-001), D.B.S.

TABLE 8

LABOUR FORCE, EMPLOYMENT, NON-FARM EMPLOYMENT, UNEMPLOYED

YEARLY VARIATIONS: 1957 - 1969

QUÉBEC

YEAR	LABOUR FORCE			EMPLOYMENT			NON-FARM EMPLOYMENT			UNEMPLOYED			UNEMPLOYMENT RATE
	Yearly Average	Yearly Variations		Yearly Average	Yearly Variations		Yearly Average	Yearly Variations		Yearly Average	Yearly Variations		
	'000	'000	%	'000	'000	%	'000	'000	%	'000	'000	%	%
1957	1,678	63	3.9	1,576	41	2.7	1,405	35	2.6	102	21	26.2	6.1
1958	1,735	57	3.4	1,582	6	0.4	1,420	15	1.1	153	52	51.5	8.9
1959	1,758	23	1.3	1,620	38	2.4	1,465	45	3.2	138	- 15	- 9.8	7.9
1960	1,803	45	2.6	1,639	19	1.2	1,504	39	2.7	164	26	18.8	9.2
1961	1,820	17	0.9	1,652	13	0.8	1,514	10	0.7	168	4	2.4	9.3
1962	1,852	32	1.8	1,713	61	3.7	1,581	67	4.4	139	- 29	- 17.3	7.5
1963	1,904	52	2.8	1,762	49	2.9	1,638	57	3.6	142	3	2.2	7.5
1964	1,951	47	2.5	1,827	65	3.7	1,713	75	4.6	124	- 18	- 12.7	6.4
1965	2,022	71	3.6	1,912	85	4.7	1,796	83	4.8	110	- 15	- 12.1	5.4
1966	2,116	94	4.6	2,016	104	5.4	1,910	114	6.3	100	- 9	- 8.3	4.7
1967	2,196	80	3.8	2,080	64	3.2	1,966	56	2.9	116	16	16.0	5.3
1968	2,227	31	1.4	2,082	2	0.1	1,961	- 5	- 0.3	145	29	25.0	6.5
1969	2,290	63	2.8	2,132	50	2.4	2,025	64	3.3	158	13	9.0	6.9

SOURCE: Labour Force (71-001) D.B.S.

Table 9

LABOUR FORCE

DISTRIBUTION AND GROWTH RATE BY AGE GROUP AND SEX

QUEBEC

AGE GROUP	1965	1966	1967	1968	1969	1966/65	1967/66	1968/67	1969/68
			'000				%		
14 to 19									
Male	124	123	129	128	130	- 0.8	4.9	- 0.8	1.6
Female	105	112	113	107	105	6.7	0.9	- 5.3	- 1.9
20 to 24									
Male	192	203	213	216	225	5.7	4.9	1.4	4.2
Female	124	139	151	160	169	12.1	8.6	6.0	5.6
25 to 44									
Male	685	695	708	721	729	1.5	1.9	1.8	1.1
Female	207	225	238	242	269	8.7	5.8	1.7	11.2
45 to 64									
Male	416	428	443	447	460	2.9	3.5	0.9	2.9
Female	119	136	145	152	152	14.3	6.6	4.8	-
65 and over									
Male	39	44	43	42	39	12.8	- 2.3	- 2.3	- 7.1
Female	11	11	13	12	12	-	18.2	- 7.7	-
TOTAL									
Male	1,456	1,493	1,536	1,554	1,583	2.5	2.9	1.2	1.9
Female	566	623	660	673	707	10.1	5.9	2.0	5.1

SOURCE: Special Surveys Division (9712-516), D.B.S.

TABLE 10

UNEMPLOYMENT AND UNEMPLOYMENT RATE
BY AGE GROUP AND SEX
QUÉBEC

AGE GROUP	1965	1966	1967	1968	1969	1965	1966	1967	1968	1969
	Number of Unemployed '000					Unemployment Rate %				
14 to 19										
Male	17	14	18	21	23	13.7	11.4	14.0	16.4	17.7
Female	8	8	9	9	13	7.6	7.1	8.0	8.4	12.4
20 to 24										
Male	14	13	16	22	24	7.3	6.4	7.5	10.2	10.7
Female	4	4	6	8	7	3.2	2.9	4.0	5.0	4.1
25 to 44										
Male	34	29	33	44	43	5.0	4.2	4.7	6.1	5.9
Female	5	5	5	6	9	2.4	2.2	2.1	2.5	3.4
45 to 64										
Male	22	22	23	28	31	5.3	5.1	5.2	6.3	6.7
Female	2	2	3	4	5	1.7	1.4	2.1	2.6	3.3
65 and over										
Male	3	3	3	3	3	7.7	6.8	7.0	7.1	7.7
Female	-	-	-	-	-	-	-	-	-	-
TOTAL										
Male	90	81	93	118	124	6.2	5.4	6.1	7.6	7.8
Female	19	19	23	27	34	3.4	3.0	3.5	4.0	4.8

SOURCE: Special Surveys Division (9712-716) D.B.S.

77,000 new jobs (net employment) to keep the number of unemployed at the 1968 level, as both the increase in the labour force and the workers formerly employed in farming would have had to be absorbed. It is to be noted that the net growth of employment and non-farm employment was 77,000 and 80,000, respectively, for the first months of 1969 compared with the corresponding period in 1968. Subsequently, the brakes put on the economy produced their effect and the employment growth rate went down.

Past experience shows that there is always a certain time-lag between the decision to adopt restrictive or liberalising measures and their implementation. There is thefore little hope for a rapid improvement in the employment situation in 1970.

SECTION II

INVESTMENT AND CONSTRUCTION

Investment

Private and public investment, which covers expenditure on new equipment and repairs, came to $4,450 million in 1969, an increase of 1.8%. At the Canadian level, the increase was 6.3%. Construction expenditure was up 3.9% and equipment expenditure down 1.2%.

The fastest advances were made in housing (+11.2%) and in institutional services and government departments (+6.5%). The primary industries, the manufacturing sector and public utilities recorded slight increases. The only decline was in trade, finance and commercial services.

The divergencies between preliminary figures, early-year forecasts and mid-year forecasts are attributable in part to the brakes applied to the economy in the second half-year. Tight money and high interest rates forced small and medium-sized firms in particular to postpone investment projects.

Construction

Progress in the construction sector was rather slow com-

TABLE 11

INVESTMENT BY SECTOR

QUEBEC

	1965			1966			1967			1968			1969*		
	Construction	Machinery and Equipment	Total	Construction	Machinery and Equipment	Total	Construction	Machinery and Equipment	Total	Construction	Machinery and Equipment	Total	Construction	Machinery and Equipment	Total
	millions of dollars														
Primary industries and construction (1)	99.8	275.1	374.9	120.8	296.3	417.1	124.7	278.5	403.2	134.1	291.4	425.5	138.0	297.6	435.6
Manufacturing	188.0	599.3	787.3	225.0	739.9	964.9	210.8	683.5	894.3	213.0	685.4	898.4	209.5	693.5	903.0
Public utilities	585.1	369.3	954.4	508.2	488.0	996.2	453.3	498.1	951.4	380.2	498.4	878.6	400.2	490.8	891.0
Trade, finance and commercial services	264.2	177.9	442.1	364.4	206.9	571.3	248.9	223.3	472.2	200.1	235.0	435.1	126.9	209.5	336.4
Housing	732.6	-	732.6	725.1	-	725.1	762.6	-	762.6	795.0	-	795.0	883.8	-	883.8
Institutional services and government departments	747.5	100.6	848.1	745.7	100.4	846.1	742.3	119.9	862.2	829.8	110.0	939.8	893.7	107.2	1,000.9
TOTAL	2,617.2	1,522.2	4,139.4	2,689.2	1,831.5	4,520.7	2,542.6	1,803.3	4,345.9	2,552.2	1,820.2	4,372.4	2,652.1	1,798.6	4,450.7

* Preliminary.

(1) Construction: Capital expenditure by building contractors.

SOURCE: Private and Public Investment in Canada (61-205), D.B.S.

TABLE 12

INVESTMENT AND ANNUAL GROWTH RATE BY SECTOR

QUEBEC

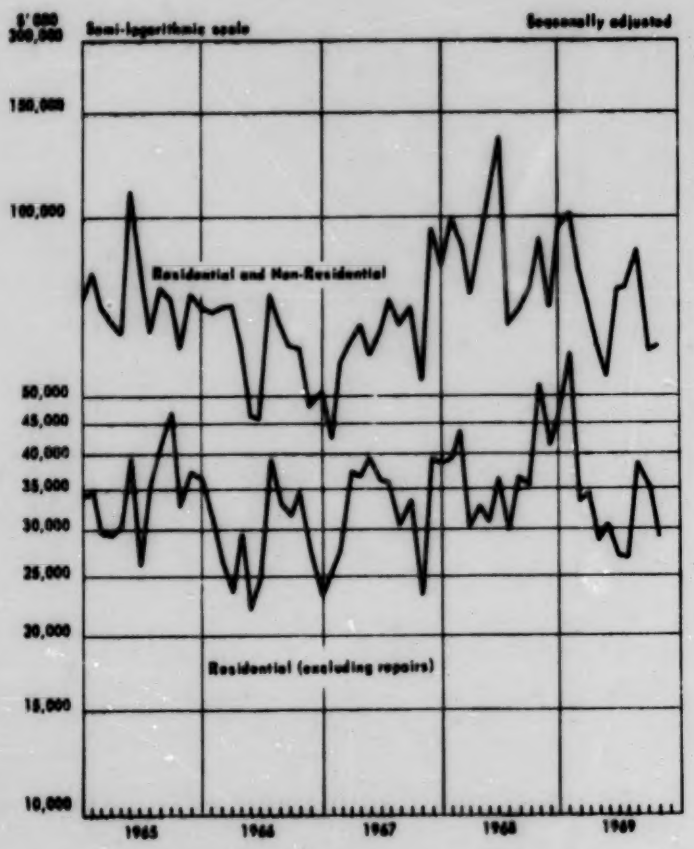
SECTOR	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
	millions of dollars					%			
Primary industries and construction (1)	374.9	417.1	403.2	425.5	435.6	11.3	- 3.3	5.5	2.4
Manufacturing	787.3	964.9	894.3	898.4	903.0	22.6	- 7.3	0.5	0.5
Public utilities	954.4	996.2	951.4	878.6	891.0	4.4	- 4.5	-7.7	1.4
Trade, finance and commercial services	442.1	571.3	472.2	435.1	336.4	29.2	-17.3	-7.9	-22.7
Housing	732.6	725.1	762.6	795.0	883.8	-1.0	5.2	4.2	11.2
Institutional services and government departments	848.1	846.1	862.2	939.8	1,000.9	-0.2	1.9	9.0	6.5
TOTAL	4,139.4	4,520.7	4,345.9	4,372.4	4,450.7	9.2	- 3.9	0.6	1.8

* Preliminary.

(1) Construction: capital expenditure by building contractors.

SOURCE: Private and Public Investment in Canada (61-205), D.B.S.

CHART II
VALUE OF BUILDING PERMITS
QUÉBEC



Economic Appraisal Service

pared with 1968, mainly because of monetary restrictions. Construction value reached nevertheless $2.7 billion, of which $2.1 billion went to new construction and $587 million to repairs. The over-all increase was 3.9% for Québec and 6.6% for Canada.

Non-residential construction

The two major groups engaged in non-residential construction - engineering and building (except housing) - recorded a slight rise in 1969 (+0.7%).

Over a billion dollars was spent on engineering construction in 1969. Road construction worth an estimated $280 million accounted for an increase of some 20% over 1968. There was also a substantial increase in the construction of wharves, bridges and water and sewage systems. On the other hand, less money went to the construction of electric power stations in 1969.

Investment in non-residential building construction was roughly at the same level as the year before. The decrease in building permits and in commercial construction contracts reported in 1968 made itself felt in 1969. It should be noted, however, that the value of contracts awarded in commercial construction rose by 45% in 1969. Thus, there is likely to be a substantial increase in commercial construction in 1970.

Investment in institutional construction was roughly the same as in 1968 - about $300 million. The value of contracts awarded for the construction of new schools was below last year's and benefited mainly the Montreal area.

The increase in industrial building permits in 1968

TABLE 13

CONSTRUCTION VALUE BY CATEGORY

QUÉBEC

	1965		1966		1967		1968		1969	
	New Construction	Total	New Construction	Total	New Construction	Total	New Construction	Total	New Construction	Total
	millions of dollars									
Non-residential construction	1,634	1,884	1,640	1,964	1,419	1,780	1,371	1,757	1,392*	1,768*
Building	742	847	809	938	694	834	714*	862*	733**	872**
Industrial	144	182	163	207	136	186	116*	161*	107**	155**
Commercial	259	292	335	375	248	290	234*	274*	233**	277**
Institutional	278	298	234	261	227	256	282*	310*	291**	321**
Other	61	75	77	95	83	102	82*	116*	102**	119**
Engineering	892	1,037	831	1,026	725	946	803*	991*	817**	1,030**
Residential construction	565	733	546	725	569	763	597	795	673*	884*
TOTAL	2,199	2,617	2,186	2,689	1,988	2,543	1,968	2,552	2,065*	2,652*

* Preliminary.

** Estimated.

NOTE: The non-residential building construction total for 1968 and 1969 does not correspond to the aggregate of building construction and engineering construction, as the latter categories have not yet been revised.

SOURCES: Construction in Canada 1967 - 1969 (64-201);

Private and Public Investment in Canada (61-205), D.B.S.

and the 35% increase in the value of contracts awarded during the first half of 1969 pointed to a substantial rise in industrial building, but a slowdown in the second half caused it to remain at much the same level as in 1968.

Residential construction

Housing expenditure grew by 11% in 1969. The excellent performance of the first half-year was followed by a marked slowdown in the second half, when housing starts in urban centres with populations of 10,000 and over fell by 22.2%.

A total of 44,605 housing units - an all-time high for Québec - was completed in 1969. Nevertheless, at year's end there were only 22,668 dwellings under construction, 9.1% less than the previous year, and housing starts for all of 1969 dropped 6.6%.

In Canada as a whole, housing construction financed by private loans under the National Housing Act fell by 21%, whereas housing construction financed by the Central Mortgage and Housing Corporation rose by 24.3%. The value of housing construction approved by the Québec Housing Corporation topped $196 million in 1969.

Jobs, salaries and prices

Employment in the building industry dropped by 1.5% in 1969. It will be recalled that strikes hit some areas in May and June of that year. The decline affected all construction segments, but its effects were particularly felt in engineering construction, excepting road construction.

Average weekly salaries and wages rose by 4.7% and

TABLE 14

RESIDENTIAL CONSTRUCTION
NUMBER OF DWELLINGS
QUÉBEC

Year	Under construction January 1st	Started		Completed		Under construction December 31st*
		Single dwellings	Other dwellings	Single dwellings	Other dwellings	
1965	23,037	16,276	28,161	16,221	26,344	24,512
1966	24,512	15,077	20,834	15,336	25,076	19,282
1967	19,282	12,504	25,214	15,349	23,759	17,815
1968	17,815	12,053	34,424	11,582	27,379	24,942
1969	24,942	12,504	30,909	12,534	32,071	22,668

* Adjusted to allow for changes made during construction.

SOURCE: New Residential Construction (64-002), D.B.S.

Central Mortgage and Housing Corporation.

TABLE 15

REMUNERATION AND NUMBER OF WAGE-EARNERS
IN CONSTRUCTION SECTOR

QUEBEC

Year	Wage-earners	Hourly Earnings	Weekly Salaries and Wages	Total Payrolls
	'000	$	$	$'000,000
1965	102.6	2.48	107.99	677
1966	103.8	2.73	119.09	761
1967	87.0	3.21	134.11	725
1968 (*)	82.4	3.46	138.63	680
1969 (**)	81.2	3.67	145.12	701

* Preliminary.
** Estimated.

SOURCES: Estimates of Employees by Province and Industry (72-008), Employment and Average Weekly Wages and Salaries (72-002), Man-Hours and Hourly Earning (72-003), D.B.S.

hourly earnings by 6.2%. Total payrolls increased by only 3.1% largely as a result of the work stoppages in May and June.

There was a considerable rise in the price indexes of building materials during 1969. Prices of residential building materials continued to rise much faster (+7.2%) than those of non-residential building materials (+4.6%).

TABLE 16

VARIATIONS IN PRICE INDEXES OF BUILDING MATERIALS
CANADA
(1961=100)

Year	Residential	Non-Residential
	%	%
1965	+ 4.5	+ 5.2
1966	+ 3.4	+ 3.0
1967	+ 3.6	+ 2.1
1968	+ 5.6	+ 2.4
1969	+ 7.2	+ 4.6

SOURCE: Prices and Price Indexes (62-002), D.B.S.

SECTION III

PRIMARY SECTOR

The primary sector's gross production value went up 2.8% in 1969. The contribution of this sector to the economy at large diminishes from year to year. Although investment - $356.3 million - recorded an increase of 1.5% compared with 1968, it accounted for only 8% of the investment total.

Agriculture and Fisheries

Agriculture is the primary sector's leading industry in terms of employment and investment. In recent years it has also taken the lead in gross production value, which in 1969 rose by 5.6% to $655.5 million.

Investment in agriculture and fisheries, which accounts for 57.7% of capital expenditure in the primary sector, went up 4.5% in 1969. Most of it (62.3%) was spent on machinery and equipment.

After two rises in succession - in 1967 and in 1968 - farm employment declined in 1969 and the number of jobs fell by 14,000. The rises in the two years prior to 1969 had been the chance result of conditions then obtaining on the labour market.

As for the fisheries, the value of landings rose by 7.5% to $8.6 million.

TABLE 17

INVESTMENT IN PRIMARY SECTOR

QUEBEC

		1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
		millions of dollars					%			
Agriculture and Fisheries:	Capital Expenditure	114.7	144.5	153.5	150.5	157.6	26.0	6.2	- 2.0	4.7
	Repairs	32.1	40.5	45.5	46.2	47.9	26.2	12.3	1.5	3.7
	Total	146.8	185.0	199.0	196.7	205.5	26.0	7.6	- 1.2	4.5
Forestry :	Capital Expenditure	15.6	16.2	19.3	14.0	14.8	3.8	19.1	-27.5	5.7
	Repairs	9.6	11.4	17.5	16.5	17.6	18.8	53.5	- 5.7	6.7
	Total	25.2	27.6	36.8	30.5	32.4	9.5	33.3	-17.1	6.2
Mining :	Capital Expenditure	48.2	49.6	46.2	63.1	60.2	2.9	- 6.9	36.6	-4.6
	Repairs	59.3	63.6	52.3	60.6	58.2	7.2	-17.8	15.9	-4.0
	Total	107.5	113.2	98.5	123.7	118.4	5.3	-13.0	25.6	-4.3
TOTAL :	Capital Expenditure	178.5	210.3	219.0	227.6	232.6	17.8	4.1	3.9	2.2
	Repairs	101.0	115.5	115.3	123.3	123.7	14.4	- 0.2	6.9	0.3
	Total	279.5	325.8	334.3	350.9	356.3	16.6	2.6	5.0	1.5

* Preliminary.

SOURCE: Private and Public Investment in Canada (61-205), D.B.S.

Forestry

In 1969, logging operations increased 3.1% in volume and 5.9% in value. The increase in production value was 1.5% for pulpwood and 15.5% for lumber. In terms of volume, the pulpwood output was the same as in 1968, but lumber production was up 10%.

Investment ($32.4 million in 1969) grew by 6.2% but did not exceed the 1967 level.

Employment in logging operations declined by about 1% in 1969. A 7.9% rise in average weekly salaries and wages produced a 6.8% rise in total payrolls.

Mining

The $118 million invested in the mining industry in 1969 represented a 4.3% decrease compared with 1968. This decline followed a very substantial increase - 26.6% - in 1968. According to forecasts, investment will grow by over 20% in 1970.

The work stoppages which occured during the summer account for the 2% decline in mining production value at extraction level.

The slowdown in mining production during the past two years is due to the closing down of some mines and to the gradual working-out of others without new mines going into production by way of compensation.

Employment was down 2% in 1969. Total payrolls increased nevertheless by 3.6% as a result of the 5.9% rise in average weekly salaries and wages.

TABLE 18

GROSS PRODUCTION VALUE
PRIMARY SECTOR
QUEBEC

	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
			$'000				%		
Agriculture									
Including supplementary and deficiency payments	512,531	592,600	610,521	620,911	655,500	15.6	3.0	1.7	5.6
Fishing and Trapping	8,520	8,820	8,799	9,799	11,014	3.5	- 0.7	11.9	12.4
Forestry (logging)	254,859	294,796	321,154	296,670*	314,249	15.7	8.9	- 7.6	5.9
Mining (value at extraction level)	555,239	589,956	589,004	554,514	543,207	6.3	- 0.2	- 5.9	- 2.0
TOTAL	1,331,149	1,486,172	1,529,438	1,481,894	1,523,970	11.6	2.9	- 3.1	2.8

* Estimated.

SOURCES: Farm Net Income (21-202); Farm Cash Receipts (21-001), D.B.S.; Agriculture Section, Q.B.S.; Fisheries Section, Q.B.S.; Dept. of Tourism, Fish and Game; Logging (25-201), D.B.S.; Mineral Statistics Section, Q.B.S.; Economic Appraisal Service, Economic Analysis Branch.

TABLE 19

EMPLOYMENT IN THE PRIMARY SECTOR
QUEBEC

Sector	1965	1966	1967	1968	1969
			Number		
Agriculture (includes self-employed)	116,000	106,000	114,000	121,000	107,000
Fishing and Trapping (includes self-employed)	5,417	5,203	5,420	5,679	6,000
Forestry, logging (wage-earners only)	21,900	22,900	24,300	20,100	19,900
Mining (wage-earners only)	26,000	26,500	26,300	25,400	24,900

SOURCES: Labour Force (71-001), D.B.S.
Fisheries Section, Q.B.S.;
Department of Tourism, Fish and Game;
Estimates of Employees by Province and Industry (72-008) D.B.S.

TABLE 20

REMUNERATION OF LABOUR
PRIMARY SECTOR
QUEBEC

Sector	1965	1966	1967	1968	1969
			$'000		
Agriculture (total remuneration)	134,233	206,751	182,750	195,267	209,150
Fishing and Trapping (total remuneration)	6,375	6,380	5,746	6,901	7,885
Forestry (total payrolls)	124,000	153,000	171,000	148,000	158,000
Mining (total payrolls)	161,000	177,000	188,000	196,000	204,000

SOURCE: Economic Appraisal Service, Economic Analysis Branch.

SECTION IV

MANUFACTURING SECTOR

Conventional labour-intensive industries like the textile, clothing, knitwear and shoe industries still represent important segments of the Québec manufacturing sector. Nevertheless, the establishment of more modern industries has produced considerable structural changes during the past decade.

These changes are likely to multiply over the next few years. To speed up the structural changes needed in the manufacturing sector, the Québec Department of Industry and Commerce has introduced a "Financial Assistance Programme to High-Technology Industries" and a "Programme to Stimulate the Development of Certain Industries".

Value of Shipments

The value of manufacturers' shipments was in excess of $12,230 million in 1969, a rise of 7.9%. The increase at the Canadian level was 6.8%.

Most of the major industry groups recorded substantial increases in the value of shipments. Sales were particularly lively in the primary metal industry (+20.2%), electrical products (+19.1%), machinery (+15.6%) and furniture and fixtures (+15.3%).

TABLE 21

VALUE OF MANUFACTURERS' SHIPMENTS

QUEBEC

Industry groups	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
	millions of dollars					%			
Food and beverage industries	1,709	1,839	1,988	2,033	2,149	7.6	8.1	2.3	5.7
Tobacco products industries	207	219	248	232	242	5.8	13.2	- 6.5	4.3
Leather industries	159	169	171	184	184	6.3	1.2	7.6	-
Textile industries	732	758	795	845	887	8.2	7.7	6.3	5.0
Knitting mills	178	179	192	211	205	0.6	7.3	9.9	- 2.8
Clothing industries	685	736	710	726	719	7.4	- 3.5	2.3	- 1.0
Wood industries	265	275	276	290	325	3.8	0.4	5.1	12.1
Furniture and fixture industries	195	221	227	216	249	13.3	2.7	- 4.8	15.3
Paper and allied industries	1,019	1,136	1,160	1,199	1,328	11.5	2.1	3.4	10.8
Printing, publishing and allied industries	310	332	353	354	369	7.1	6.3	0.3	4.2
Primary metal industries	746	808	775	811	975	8.3	- 4.1	4.6	20.2
Metal fabricating industries	617	694	690	720	788	12.5	- 0.6	4.3	9.7
Machinery industries	197	243	234	211	244	23.4	- 3.7	- 9.8	15.6
Transportation equipment industries	443	555	787	863	936	25.3	41.8	9.7	8.5
Electrical products industries	482	570	594	634	755	18.3	4.2	6.7	19.1
Non-metallic mineral products industries	305	325	260	275	262	6.6	- 20.0	5.8	- 4.7
Petroleum and coal products industries	385	392	436	469	487	1.8	11.2	7.6	3.8
Chemical and chemical products industries	537	600	627	644	694	11.7	4.5	2.7	7.7
Miscellaneous manufacturing industries and rubber industries	321	349	423	417	432	8.7	21.2	- 1.4	3.6
TOTAL	9,492	10,380	10,946	11,334	12,230	9.4	5.5	3.5	7.9

* Preliminary.

SOURCES: Inventories, Shipments and Orders in Manufacturing Industries (31-001), D.B.S.
Economic Appraisal Service, Economic Analysis Branch.

TABLE 22

VALUE OF MANUFACTURER'S SHIPMENTS

CANADA

INDUSTRY GROUP	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
	millions of dollars					%			
Food and beverage industries	6,429	6,998	7,448	7,599	8,002	8.8	6.4	2.0	5.3
Tobacco products industries	380	420	509	513	498	10.5	21.2	0.8	- 2.9
Rubber industries	474	512	564	577	638	8.0	10.2	2.3	10.6
Leather industries	343	395	398	425	426	15.2	0.8	6.8	0.2
Textile industries	1,277	1,344	1,369	1,483	1,581	5.2	1.9	8.3	6.6
Knitting mills	309	313	323	351	347	1.3	3.2	8.7	- 1.1
Clothing industries	1,063	1,135	1,092	1,115	1,098	6.8	- 3.8	2.1	- 1.5
Wood industries	1,487	1,553	1,667	1,870	1,969	4.4	7.3	12.2	5.3
Furniture and fixture industries	525	584	604	594	650	11.2	3.4	- 1.7	9.4
Paper and allied industries	2,882	3,184	3,251	3,359	3,720	10.5	2.1	3.3	10.7
Printing, publishing and allied industries	1,085	1,177	1,256	1,288	1,357	8.5	6.7	2.5	5.4
Primary metal industries	2,854	3,052	2,985	3,278	3,425	6.9	- 2.2	9.8	4.5
Metal fabricating industries	2,467	2,796	2,762	2,822	3,032	13.3	- 1.2	2.2	7.4
Machinery industries	1,235	1,444	1,434	1,456	1,664	16.9	- 0.7	1.5	14.3
Transportation equipment industries	3,865	4,128	4,736	5,333	5,868	6.8	14.7	12.6	10.0
Electrical products industries	1,903	2,182	2,212	2,302	2,544	14.7	1.4	4.1	10.5
Non-metallic mineral products industries	1,038	1,121	1,051	1,147	1,184	8.0	- 6.2	9.1	3.2
Petroleum and coal products industries	1,431	1,478	1,562	1,666	1,750	3.3	5.7	6.7	5.0
Chemical and chemical products industries	1,973	2,167	2,239	2,340	2,451	9.8	3.3	4.5	4.7
Miscellaneous manufacturing industries	869	947	1,071	1,131	1,210	9.0	13.0	5.6	7.0
TOTAL	33,889	36,930	38,533	40,649	43,414	9.0	4.3	5.5	6.8

* Preliminary

SOURCES: Inventories, Shipments and Orders in Manufacturing Industries (31-001), D.B.S. Economic Appraisal Service, Economic Analysis Branch.

The clothing industries and kaitting mills registered a slight decline in their sales. The same applies to the non-metallic mineral products industries, whose sales suffered from the slowdown in construction. The proportional share in the sector's value of shipments of such conventional industries as those producing leather, clothing, knitted goods and textiles fell from 18.2% in 1961 to 16.3% in 1969.

Capital expenditure

Capital expenditure in Québec's manufacturing sector totalled $598.3 million in 1969, which was roughly the same as in 1968.

Twelve of the eighteen major industry groups recorded increases in capital investment: Primary metals (+$32.9 million), non-metallic mineral products ($9.6 million), textiles ($8 million), electrical products (+4.1 million), etc.

The decline of capital expenditure in the chemical and chemical products industries and in the petroleum and coal products industries is due to the type of capital investment made in these major industry groups. There are sharp variations from one year to another and only long-run figures provide a reliable guide to the development of these industries.

Over-all capital expenditure in the leather, textile, clothing and knitted goods industries between 1960 and 1969 accounted for 8.5% of capital expenditure in the manufacturing sector. During the same period, capital expenditure in chemical products, electrical products, petroleum and coal products and transportation equipment accounted for 21.8% of the total.

Employment

An estimated 530,000 persons were employed in the manu-

TABLE 23

CAPITAL EXPENDITURE IN MANUFACTURING

QUÉBEC

Industry Group	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
	millions of dollars					%			
Food and beverage industries	47.3	68.5	78.7	54.8	55.3	44.8	14.9	- 30.4	0.9
Rubber industries	8.0	21.9	6.6	7.9	10.8	173.8	-69.9	19.7	36.7
Leather industries	1.8	2.0	2.0	2.8	2.2	11.1	-	40.0	-21.4
Textile industries	39.3	38.9	25.0	21.3	29.3	- 1.0	-35.7	- 14.8	37.6
Clothing industries and knitting mills	11.2	10.7	9.2	13.2	16.3	- 4.5	-14.0	43.4	23.5
Wood industries	9.1	14.6	13.1	12.0	15.1	60.4	-10.3	- 8.4	25.8
Furniture and fixture industries	6.4	6.7	9.1	10.9	4.1	4.7	35.8	19.8	-62.4
Paper and allied industries	101.4	128.9	139.4	102.3	110.0	27.1	8.1	- 26.6	7.5
Printing, publishing and allied industries	11.1	15.3	16.1	16.1	11.7	37.8	5.2	-	-27.3
Primary metal industries	76.1	89.1	39.0	36.5	69.4	17.1	-56.3	- 6.4	90.1
Metal fabricating industries	20.2	25.3	23.1	30.1	21.8	25.2	- 8.7	30.3	-27.6
Machinery industries	8.4	7.8	7.9	7.0	7.2	- 7.1	1.3	- 11.4	2.9
Transportation equipment industries	39.5	25.2	25.2	25.7	26.7	- 36.1	-	2.0	3.9
Electrical products industries	19.2	31.7	25.9	25.3	29.4	65.1	-18.3	- 2.3	16.2
Non-metallic mineral products industries	31.2	40.4	13.0	14.3	23.9	29.5	-67.8	10.0	67.1
Petroleum and coal products industries	17.9	14.6	33.3	73.2	45.1	- 18.4	128.1	119.8	-38.4
Chemical and chemical products industries	34.1	58.3	59.0	67.2	38.1	71.0	1.2	13.9	-43.3
Miscellaneous manufacturing industries	67.3	86.3	79.0	79.8	81.9	28.2	- 8.5	1.0	2.6
TOTAL	549.5	686.2	604.6	600.4	598.3	24.9	-11.9	- 0.7	- 0.4

* Preliminary.

SOURCE: Private and Public Investment in Canada (61-205), D.B.S.

TABLE 24

CAPITAL EXPENDITURE IN MANUFACTURING

CANADA

Industry Group	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
	millions of dollars					%			
Food and beverage industries	199.3	241.3	254.4	241.2	245.9	21.1	5.4	-5.2	1.9
Tobacco products industries	12.2	14.4	14.4	13.0	10.1	18.0	-	-9.7	-22.3
Rubber industries	26.1	48.8	29.1	34.7	48.6	87.0	-40.4	19.2	40.1
Leather industries	4.7	8.1	6.5	8.1	7.9	72.3	-19.8	24.6	- 2.5
Textile industries	108.8	108.7	74.2	57.9	66.7	-0.1	-31.7	-22.0	15.2
Clothing industries and knitting mills	18.9	23.9	17.1	21.1	25.1	26.4	-28.5	23.4	19.0
Wood industries	76.5	72.4	61.5	71.0	132.9	-5.4	-15.1	15.4	87.2
Furniture and fixture industries	15.6	19.8	19.8	19.0	11.1	26.9	-	-4.0	-41.6
Paper and allied industries	417.9	550.0	468.3	291.3	369.4	31.6	-14.9	-37.8	26.8
Printing, publishing and allied industries	50.2	57.4	46.0	49.8	58.3	14.3	-19.9	8.3	17.1
Primary metal industries	264.6	385.9	284.8	235.4	302.4	45.8	-26.2	-17.3	28.5
Metal fabricating industries	108.3	134.1	112.7	109.9	125.4	23.8	-16.0	-2.5	14.1
Machinery industries	47.8	61.3	59.2	49.5	60.4	28.2	-3.4	-16.4	22.0
Transportation equipment industries	221.6	242.7	192.7	132.2	180.7	9.5	-20.6	-31.4	36.7
Electrical products industries	66.5	105.9	96.5	69.0	86.3	59.2	-8.9	-28.5	25.1
Non-metallic mineral products industries	108.3	159.5	119.8	85.9	127.3	47.3	-24.9	-28.3	48.2
Petroleum and coal products industries	40.6	65.1	100.2	127.6	134.5	60.3	53.9	27.3	5.4
Chemical and chemical products industries	279.5	284.9	270.3	291.9	222.8	1.9	-5.1	8.0	-23.7
Miscellaneous manufacturing industries	39.9	52.1	48.5	55.7	67.7	30.6	-6.9	14.8	21.5
Capital items charged to operating expenses	232.6	277.7	257.5	234.6	260.6	19.4	-7.3	-8.9	11.1
TOTAL	2,339.9	2,914.0	2,533.5	2,198.8	2,544.1	24.5	-12.5	-13.2	15.7

* Preliminary.

SOURCE: Private and Public Investment in Canada (61-205), D.B.S.

facturing sector in 1969, some 9,000 more than in 1968.

The highest employment growth rates were recorded in the following industries: knitted goods (+6.3%), furniture and fixtures (+6.0%), electrical products (+4.1%), paper and allied products (+4.0%) and primary metals (+3.6%).

Employment follows the same pattern as capital expenditure and the value of shipments: the proportional share in employment of the leather, textile, clothing and knitted goods industries fell from 28.5% in 1961 to 24.4% in 1969.

Salaries

Average weekly salaries and wages in manufacturing rose by about 7.0% for both Québec and Canada as a whole in 1969. Thus the difference between Québec and Canadian salaries remained practically unchanged.

The average growth rate of salaries in the manufacturing sector was the same as in 1968.

It is to be noted that those industries which are most vulnerable to competition from countries where production costs are low (textiles, clothing and knitted goods industries) tend to pay the lowest wages.

TABLE 25

EMPLOYMENT IN MANUFACTURING

QUÉBEC

Industry Group	1965	1966	1967*	1968**	1969**	1966/65	1967/66	1968/67	1969/68
			Number				%		
Food and beverage industries	58,118	59,966	61,858	62,838	62,728	3.2	3.2	1.6	-0.2
Tobacco products industries	6,869	6,765	6,786	6,560	6,231	-1.5	0.3	-3.3	-5.0
Rubber industries	7,365	7,684	6,953	7,194	7,315	4.3	-9.5	3.5	1.7
Leather industries	16,172	16,181	15,938	15,971	15,625	0.1	-1.5	0.2	-2.2
Textile industries	45,700	43,804	44,890	42,821	42,622	-4.1	2.5	-4.6	-0.5
Knitting mills	12,826	12,705	12,565	13,397	14,240	-0.9	-1.1	6.6	6.3
Clothing industries	62,705	62,597	62,324	61,752	62,095	-0.2	-0.4	-0.9	0.6
Wood industries	20,617	19,422	19,980	20,369	21,095	-5.8	2.9	1.9	3.6
Furniture and fixture industries	15,845	16,549	16,892	16,599	17,592	4.4	2.1	-1.7	6.0
Paper and allied industries	40,483	42,504	43,018	42,484	44,200	5.0	1.2	-1.2	4.0
Printing, publishing and allied industries	21,796	22,034	22,359	21,941	21,579	1.1	1.5	-1.9	-1.6
Primary metal industries	23,409	25,579	25,795	25,113	26,022	9.3	0.8	-2.6	3.6
Metal fabricating industries	34,581	37,091	36,264	35,158	35,449	7.3	-2.2	-3.0	0.8
Machinery industries	14,215	14,679	15,104	14,227	14,526	3.3	2.9	-5.8	2.1
Transportation equipment industries	24,936	30,305	34,547	35,105	36,010	21.5	14.0	1.6	2.6
Electrical products industries	32,338	35,190	36,643	37,813	39,346	8.8	4.1	3.2	4.1
Non-metallic mineral products industries	15,692	15,597	14,498	13,953	13,394	-0.6	-7.0	-3.8	-4.0
Petroleum and coal products industries	2,613	2,984	2,937	n.a.	n.a.	14.2	-1.6	-	-
Chemical and chemical products industries	25,923	25,989	26,450	26,755	27,178	0.3	1.8	1.2	1.6
Miscellaneous manufacturing industries	16,974	18,529	18,845	19,080	20,666	9.2	1.7	1.2	8.3
TOTAL	499,177	516,154	524,646	521,507	530,475	3.4	1.6	-0.6	1.7

* Preliminary

** Estimated

SOURCES: Manufacturing Industries in Québec (31-205), General Review of the Manufacturing Industries of Canada (31-201), D.B.S. Economic Appraisal Service, Economic Analysis Branch.

TABLE 26

AVERAGE WEEKLY WAGES AND SALARIES IN MANUFACTURING

QUEBEC

Industry Group	1965	1966	1967	1968	1969*	1966/1965	1967/1966	1968/1967	1969/1968
			$				%		
Food and beverage industries	83.54	87.89	94.98	100.86	108.72	5.2	8.1	6.2	7.8
Tobacco products industries	94.83	103.01	110.99	120.02	131.98	8.6	7.7	8.1	10.0
Rubber industries	81.77	86.40	92.04	99.00	106.32	5.7	6.5	7.6	7.4
Leather industries	59.67	62.72	66.59	70.64	75.00	5.1	6.2	6.1	6.2
Textile industries	76.43	81.28	87.20	92.55	99.09	6.3	7.3	6.1	7.1
Knitting mills	59.14	63.06	67.17	72.18	77.24	6.6	6.5	7.5	7.0
Clothing industries	56.12	59.64	63.50	69.41	74.52	6.3	6.5	9.3	7.4
Wood industries	66.76	71.92	78.13	85.31	92.19	7.7	8.6	9.2	8.1
Furniture and fixture industries	73.98	78.44	84.17	90.39	96.72	6.0	7.3	7.4	7.0
Paper and allied industries	109.38	118.69	124.27	132.38	142.09	8.5	4.7	6.5	7.3
Printing, publishing and allied industries	102.04	107.39	113.62	118.99	127.66	5.2	5.8	4.7	7.3
Primary metal industries	114.33	121.84	130.41	137.37	148.17	6.6	7.0	5.3	7.9
Metal fabricating industries	99.62	105.06	110.98	117.95	124.74	5.5	5.6	6.3	5.8
Machinery industries	102.26	109.61	116.32	124.41	133.34	7.2	6.1	7.0	7.2
Transportation equipment industries	109.48	115.78	121.51	133.46	137.29	5.8	4.9	9.8	2.9
Electrical products industries	103.45	110.05	113.50	123.92	132.98	6.4	3.1	9.2	7.3
Non-metallic mineral products industries	101.16	106.58	110.44	117.10	125.62	5.4	3.6	6.0	7.3
Chemical and chemical products industries	107.83	113.75	120.31	126.61	136.02	5.5	5.8	5.2	7.4
Miscellaneous manufacturing industries	77.40	81.45	86.69	91.84	96.37	5.2	6.4	5.9	4.9

* Preliminary.

SOURCES: Average Weekly Wages and Salaries (72-504), Employment and Average Weekly Wages and Salaries (72-002), D.B.S.

TABLE 27

AVERAGE WEEKLY WAGES AND SALARIES IN MANUFACTURING

CANADA

Industry Group	1965	1966	1967	1968	1969*	1966/1965	1967/1966	1968/1967	1969/1968
			$				%		
Food and beverage industries	83.08	87.32	94.89	100.92	108.63	5.1	8.7	6.4	7.6
Tobacco products industries	92.13	99.79	106.54	116.85	127.25	8.3	6.8	9.7	8.9
Rubber industries	97.19	102.89	108.96	115.92	128.03	5.9	5.9	6.4	10.4
Leather industries	62.63	66.39	70.19	75.57	80.33	6.0	5.7	7.7	6.3
Textile industries	76.86	82.04	87.95	95.26	102.04	6.7	7.2	8.3	7.1
Knitting mills	59.50	63.05	67.25	71.89	77.44	6.0	6.7	6.9	7.7
Clothing industries	57.51	60.94	64.68	70.19	75.24	6.0	6.1	8.5	7.2
Wood industries	83.13	88.08	95.80	103.96	111.07	6.0	8.8	8.5	6.8
Furniture and fixture industries	77.35	81.34	86.88	92.93	100.36	5.2	6.8	7.0	8.0
Paper and allied industries	109.68	118.73	125.33	133.13	143.12	8.3	5.6	6.2	7.5
Printing, publishing and allied industries	102.20	107.07	113.27	119.60	128.08	4.8	5.8	5.6	7.1
Primary metal industries	115.17	120.27	128.60	137.37	146.07	4.4	6.9	6.8	6.3
Metal fabricating industries	100.09	105.72	111.45	119.66	128.83	5.6	5.4	7.4	7.7
Machinery industries	107.62	114.04	124.67	129.15	140.57	6.0	9.3	3.6	8.8
Transportation equipment industries	115.43	117.81	123.26	135.50	145.17	2.1	4.6	9.9	7.2
Electrical products industries	99.00	103.51	107.93	116.91	125.30	4.6	4.3	8.3	7.2
Non-metallic mineral products industries	100.64	106.64	112.91	121.20	131.37	6.0	5.9	7.3	8.4
Petroleum and coal products industries	135.11	148.35	156.18	168.28	179.48	9.8	5.3	7.7	6.7
Chemical and chemical products industries	108.45	114.63	121.62	129.50	139.23	5.7	6.1	6.5	7.5
Miscellaneous manufacturing industries	82.46	86.88	92.85	98.61	104.99	5.4	6.9	6.2	6.5

* Preliminary.

SOURCES: Average Weekly Wages and Salaries (72-504), Employment and Average Weekly Wages and Salaries (72-002) D.B.S.

SECTION V

TERTIARY SECTOR

Both investment and employment in the tertiary sector are growing rapidly. The rise in incomes in highly industrialized countries results in increased demand for services of all kinds: personal, recreational, welfare, etc... The expansion of the tertiary sector is certainly not irrelevant to the rise in prices. It is, in fact, more difficult to raise productivity in many segments of the tertiary sector than in the primary or secondary sectors.

Little statistical information is available on the tertiary sector and the very variety of tertiary activities makes a study of the sector rather difficult.

Investment

The tertiary sector accounts for half the investment made in Québec in 1969. Capital and repair expenditure amounted to $2,228 million, 1.1% less than in 1968.

The increase of nearly $75 million under the headings of "Public Utilities" and "Institutional Services and Government Departments" was insufficient to offset the decline recorded in "Trade, Finance, Insurance, Real Estate and Commercial Services".

TABLE 28

INVESTMENT IN TERTIARY SECTOR
QUÉBEC

	1965	1966	1967	1968	1969*	1966/1965	1967/1966	1968/1967	1969/1968
	millions of dollars					%			
Transportation (1)	366.8	375.4	363.0	312.0	300.2	2.3	- 3.3	- 14.0	- 3.8
Communications (2)	185.8	234.8	235.9	233.7	259.4	26.4	0.5	- 0.9	11.0
Other public utilities (3)	401.8	386.0	352.5	332.9	331.4	- 3.9	- 8.7	- 5.6	- 0.5
All public utilities	954.4	996.2	951.4	878.6	891.0	4.4	- 4.5	- 7.7	1.4
Trade	127.9	136.1	161.0	166.0	134.3	6.4	18.3	3.1	- 19.1
Finance, insurance and real estate	146.3	182.5	162.6	149.9	98.8	24.7	- 10.9	- 7.8	- 34.1
Commercial services	167.9	252.7	148.6	119.2	103.3	50.5	- 41.2	- 19.8	- 13.3
All trade, finance and commercial services	442.1	571.3	472.2	435.1	336.4	29.2	- 17.3	- 7.9	- 22.7
Institutional services and government departments	848.1	846.1	862.2	939.8	1,000.9	- 0.2	1.9	9.0	6.5
Grand total	2,244.6	2,413.6	2,285.8	2,253.5	2,228.3	7.5	- 5.3	- 1.4	- 1.1

* Preliminary.

(1) Includes railways; city transport and transport by road, air and water; warehousing; oil and gas pipe lines; toll highways and bridges; capital items charged to operating expenses.

(2) Includes telephone, telegraph, cable and broadcasting systems.

(3) Includes electric power, gas and water distribution and grain elevators.

SOURCE: Private and Public Investment in Canada (61-205), D.B.S.

The rise in expenditure on construction and equipment in public utilities is mainly accounted for by capital invested in communications.

Governments and institutional services increased their capital expenditure by $73 million, a rise of 10.0%. Most of this increase went to government construction projects.

Employment

No statistical source provides full employment data for the tertiary sector, but employment in this sector was estimated to account for over 64.0% of total employment in 1969.

Since 1965, the number of those employed in the tertiary sector has been growing by about 5.0% a year. Although "Trade" and "Commercial Services" recorded the biggest increases for 1969, it was in "Non-commercial Services" that employment had grown most rapidly during the past four years. This fast growth rate was largely due to increased hospital and school employment.

Salaries and wages

In those segments of the tertiary sector for which data are available, average weekly salaries and wages were found to be very rapidly rising in 1969. "Trade" and"Services" recorded even higher rates of increase than in 1968.

Total payrolls in the different segments of the tertiary sector, excluding government services, rose by more than 10.0% in 1969. The most substantial increases were in "Trade" (16.4%) and in "Finance, Insurance and Real Estate" (13.0%).

TABLE 29

NUMBER OF WAGE-EARNERS
IN SELECTED SEGMENTS OF THE TERTIARY SECTOR
QUÉBEC

SEGMENT	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
			'000				%		
Transportation, communication and other public utilities	164.6	170.2	176.5	175.8	181.4	3.4	3.7	-0.4	3.2
Trade	224.1	233.3	240.1	244.7	263.0	4.1	2.9	1.9	7.5
Finance, insurance and real estate	68.1	71.3	75.6	79.1	83.9	4.7	6.0	4.6	6.1
Public administration and defence (1)	78.1	77.7	88.4	87.5	90.9	-0.5	13.8	-1.0	3.9
Services: Commercial (2)	134.2	145.3	158.4	158.3	174.5	8.3	9.0	-0.1	10.2
Non-commercial (3)	233.3	250.1	270.9	293.4	307.4	7.2	8.3	8.3	4.8
Total	367.5	395.4	429.3	451.7	481.8	7.6	8.6	5.2	6.7

* Estimated.

(1) Does not include armed forces.

(2) Includes health services (except hospitals); motion pictures and recreational services; services to business management; personal services (except domestic service) and miscellaneous services.

(3) Includes employment in hospitals, education and related services, welfare and religious organizations and households.

SOURCE: Estimates of Employees by Province and Industry (72-008) D.B.S.

TABLE 30

AVERAGE WEEKLY WAGES AND SALARIES IN
SELECTED SEGMENTS OF THE TERTIARY SECTOR
QUÉBEC

	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
			$				%		
Transportation, communication and other public utilities	99.71	106.06	114.97	124.72	135.37	6.4	8.4	8.5	8.5
Trade - total	73.14	76.46	80.88	87.46	94.75	4.5	5.8	8.1	8.3
- retail	62.98	65.76	69.89	75.21	81.12	4.4	6.3	7.6	7.9
- wholesale	91.24	95.70	100.98	109.65	119.18	4.9	5.5	8.6	8.7
Finance, insurance and real estate	88.68	93.94	99.74	107.64	114.77	5.9	6.2	7.9	6.6
Services - total (1)	67.23	72.61	80.46	81.85	85.64	8.0	10.8	1.7	4.6

* Estimated.

(1) Includes services to business management; personal services; motion pictures, recreational services and miscellaneous services. Services relating to religious organizations, education, health and welfare are not included.

SOURCE: Employment and Average Weekly Wages and Salaries (72-002) D.B.S.

TABLE 31

GROWTH OF TOTAL PAYROLLS
IN SELECTED SEGMENTS OF THE TERTIARY SECTOR
QUEBEC

	1966/65	1967/66	1968/67	1969/68*
	percentage			
Transport, communication and other public utilities	10.6	12.4	8.9	12.0
Trade	11.5	9.1	9.0	16.4
Finance, insurance and real estate	12.0	11.9	11.9	13.0
Public Administration	11.8	16.9	11.1	7.0
Services	19.3	19.0	11.2	11.6

* Estimated

SOURCE: Economic Appraisal Service, Economic Analysis Branch.

SECTION VI

INCOME AND EXPENDITURE

Income

Personal income in Québec rose by $1,467 million during 1969, an increase of 10.1% compared with 8.6% for 1968.

The chief reason for this brisk rate of increase was the fast growth of total payrolls, which showed an 11.0% increase in 1969 against a 7.6% increase the year before.

This advance may seem strange considering the rise in the Québec unemployment rate, but it should be remembered that the 50,000 new jobs (net employment) created in Québec in 1969 were far in excess of the 1968 figure. Moreover, this sizeable increase in employment mainly affected those segments of the tertiary sector where wages are rising at a very fast rate.

The increase in transfer payments also contributed to the rise in personal income.

Family expenditure

In Québec, consumer spending on goods and services rose

TABLE 32

PERSONAL EXPENDITURE ON GOODS AND SERVICES

QUÉBEC - CANADA

	1965	1966	1967	1968	1969*	1966/65	1967/66	1968/67	1969/68
QUEBEC	millions of dollars					%			
Food	1,560	1,667	1,768	1,820	1,930	6.9	6.1	2.9	6.0
Tobacco and alcoholic beverages	549	575	637	646	702	4.7	10.8	1.4	8.7
Clothing	732	763	833	851	924	4.2	9.2	2.2	8.6
Housing	2,196	2,365	2,601	2,703	2,947	7.7	10.0	3.9	9.0
Transportation	1,246	1,310	1,419	1,486	1,602	5.1	8.3	4.7	7.8
Medical care	357	386	422	452	491	8.1	9.3	7.1	8.6
Recreation, reading, etc.	2,074	2,355	2,601	2,810	3,100	13.5	10.4	8.0	10.3
TOTAL	8,714	9,421	10,281	10,768	11,696	8.1	9.1	4.7	8.6
CANADA - TOTAL	33,134	36,057	38,998	42,360	46,359**	8.8	8.2	8.6	9.4

* Estimated.

** Preliminary.

SOURCES: Economic Appraisal Service, Economic Analysis Branch.
National Accounts, D.B.S.

TABLE 33

CONSUMER PRICE INDEX (MONTREAL)
(1961 = 100)

	1965	1966	1967	1968	1969	1966/65	1967/66	1968/67	1969/68
						%			
Food	110.0	116.7	118.3	122.3	124.7	6.1	1.4	3.4	1.2
Tobacco and alcoholic beverages	107.8	109.5	112.4	123.0	128.0	1.6	1.9	10.3	4.1
Clothing	105.4	108.5	115.3	118.1	121.9	3.0	6.3	2.4	3.2
Housing	102.4	103.8	107.7	110.8	113.9	1.4	3.7	2.9	2.8
Transportation	102.5	104.0	112.5	115.1	121.0	1.4	8.1	2.3	5.1
Medical care	113.9	116.7	122.7	124.1	126.9	2.3	5.1	1.2	2.3
Recreation, reading, etc.	112.5	115.3	121.8	128.4	136.8	2.5	5.6	5.4	6.5
ALL ITEMS	106.7	109.9	114.2	118.1	121.8	3.0	3.9	3.4	3.1

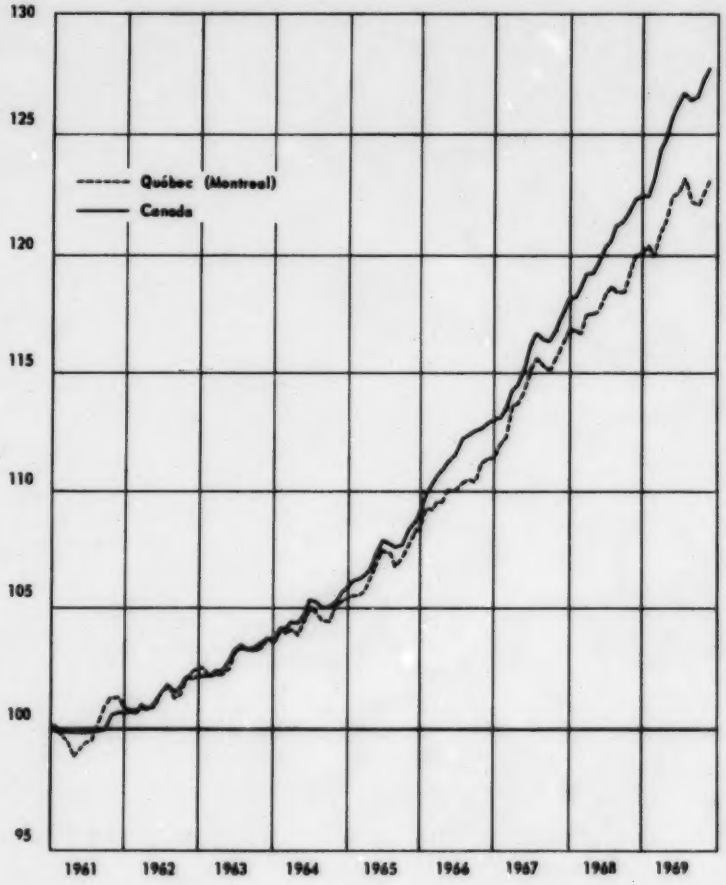
SOURCE: Prices and Price Indexes (62-002), D.B.S.

CHART III

CONSUMER PRICE INDEX

1961 = 100

QUÉBEC (Montreal) - CANADA



Economic Appraisal Service

in 1969 by some $928 million, an increase of 8.6% compared with 9.4% at the Canadian level.

It is to be noted that the Canadian Consumer Price Index rose by 4.5%, whereas the increase in the Montréal Consumer Price Index was only 3.1%. While the rate of increase of the Canadian consumer price Index has been accelerating these past three years, the rate of increase of the Montréal Index has been slowing down since 1967. It would therefore appear that the Québec economy is less subject to inflationary pressures than the Canadian economy.

In Québec, and in Canada as a whole, the items which accounted for the most substantial price increases were "Recreation, Reading, etc..." and "Transportation". The difference between the Montréal and the Canadian price patterns are particularly marked in food and housing, where percentage increases at the Canadian level are almost twice those in the Montréal area.

Government expenditure

The Government of Québec increased its gross general expenditure by some $465 million during the 1969-70 fiscal year, 16.8% more than the year before.

The bulk of the increase went to Education and Health. The net total expenditure of these two Departments increased by 24.1% and 23.7% respectively, during the past fiscal year. The share of the government budget that is allocated to departments dealing with social matters (Education, Health, Family and Social Welfare) is steadily increasing. At present, it accounts for 65.7% of the total.

The estimated increase in municipal expenditure for fiscal year 1969-70 was 7.3%, against 9.7% for 1968-69 and 12.1% for 1967-1968.

TABLE 34

NET GENERAL EXPENDITURE OF QUÉBEC GOVERNMENT
BY DEPARTMENT

	1965 - 66		1966 - 67		1967 - 68		1968 - 69		1969 - 70*	
	$'000	% of total	$'000	% of total	$'000	% of total	$'000	% of total	$'000	% of total
Education	436,655	23.5	513,044	24.2	625,663	25.0	701,072	25.3	870,318	26.9
Health	414,888	22.3	517,426	24.4	601,594	24.1	645,245	23.3	798,482	24.7
Family and Social Welfare	223,063	12.0	242,726	11.4	365,555	14.6	428,776	15.5	454,858	14.1
Roads	263,951	14.2	262,204	12.4	266,808	10.7	275,512	9.9	290,323	9.0
Other gouvernment departments	434,127	23.3	475,022	22.4	512,820	20.5	546,512	19.7	633,176	19.6
Debt charges	59,165	3.2	72,194	3.4	86,699	3.5	99,435	3.6	114,807	3.5
Other expenditure	28,673	1.5	37,378	1.8	40,469	1.6	73,947	2.7	72,614	2.2
Net total expenditure	1,860,522	100.0	2,119,994	100.0	2,499,608	100.0	2,770,499	100.0	3,234,578	100.0

* Estimated

SOURCE: Public Accounts, Province of Quebec, March 31st.

TABLE 35

MUNICIPAL EXPENDITURE (1)
QUÉBEC

	1965	1966	1967	1968*	1969**	1965	1966	1967	1968	1969
	millions of dollars							%		
Administration	73.1	81.9	98.7	111	121	13.1	13.3	14.3	14.7	14.9
Protection of persons and property	91.3	102.7	118.0	125	137	16.4	16.7	17.1	16.5	16.9
Public works and sewerage	136.1	139.6	141.1	141	148	24.4	22.8	20.5	18.7	18.3
Health and welfare	30.6	32.0	36.4	38	40	5.5	5.2	5.3	5.0	4.9
Recreational services	26.2	29.7	39.6	48	54	4.7	4.8	5.8	6.4	6.7
Debt charges:										
- debenture	148.3	171.7	196.5	221	224	26.6	28.0	28.6	29.3	27.7
- other	3.8	4.7	5.2	6	6	0.7	0.8	0.8	0.8	0.7
Capital investment (2)	24.6	22.9	18.1	20	24	4.4	3.7	2.6	2.6	3.0
Other expenditure	23.6	28.5	34.6	45	56	4.2	4.7	5.0	6.0	6.9
TOTAL	557.6	613.7	688.2	755	810	100.0	100.0	100.0	100.0	100.0

* Preliminary.
** Estimated
(1) covers fiscal year.
(2) financed out of revenue.

SOURCE: Finance Section, Q.B.S.

The slowdown in over-all expenditure growth was mainly due to debt management. In fact, debenture debt charges rose by only 1.4% during 1969-70. The proportional share of this budget item declined somewhat and now accounts for 28.4% of the municipalities budget total.

Increases in administrative expenditure and in funds allocated to recreational services were also lower than those recorded for the previous two years.

SECTION VII

PRIVATE AND PUBLIC FINANCE

Continuing inflationary pressures and the countermeasures (monetary, fiscal and budgetary) adopted by the governments of the United States and Canada resulted in scarcer and dearer money in 1969.

As the 10.0% surtax voted in the United States in 1968 proved insufficient to curb inflation, the Federal Reserve Board adopted a restrictive monetary policy in December of the same year. Following a series of open-market operations, the Board raised the rediscount rate in April 1969 to 6.0%, the highest since 1929. Then it raised legal reserve requirements against demand deposits. Better still, by maintaining the ceiling on interest rates paid by commercial banks on certain deposits (Regulation Q), the Federal Reserve Board caused funds to be transferred from commercial banks, thereby reducing their liquid assets. As a result of this policy, the money supply grew less rapidly in 1969 and the rate of savings fell steeply.

In Canada, the pressure of inflation and the balance of payments led to the adoption of similar restrictive measures. The Bank of Canada discount rate, pegged in January at 6.5%, had risen by successive stages to 8.0% the following December. The obligatory secondary reserve of chartered banks were raised to 8.0% in June. Fiscal and budgetary measures in the form of a social development tax and a cutback

TABLE 36

AVERAGE YIELD OF CANADIAN AND QUEBEC SECURITIES IN 1969

	J	F	M	A	M	J	J	A	S	O	N	D
Government of Canada												
C. 4 ½% Sept. 1, 1972	6.94	7.00	7.24	7.26	7.50	7.66	7.44	7.54	7.74	7.69	7.88	8.06
C. 4 ½% Sept. 1, 1983	7.31	7.32	7.43	7.33	7.52	7.68	7.58	7.47	7.83	7.86	8.17	8.34
5 ½% May 1, 1990	7.20	7.14	7.32	7.33	7.47	7.64	7.59	7.60	7.90	8.01	8.18	8.44
Province of Quebec												
5 ½% June 15, 1986	8.10	8.13	8.26	8.36	8.45	8.53	8.50	8.76	8.83	8.82	8.93	9.13
7 ½% January 1988	8.01	7.96	7.99	8.26	8.36	8.50	8.50	8.65	8.78	8.92	8.96	9.20
Hydro-Quebec												
7% October 1994	7.96	8.01	8.00	8.25	8.36	8.50	8.50	8.65	8.78	8.88	8.93	9.20
Municipalities												
Montreal 6% Nov. 2005	8.05	8.15	8.22	8.25	8.29	8.45	8.49	8.53	8.70	8.95	9.05	9.26

SOURCE: Finance Section, Q.B.S.

TABLE 37

CURRENT RATES - CANADA - 1969

	J	F	M	A	M	J	J	A	S	O	N	D
Discount Rate (Bank of Canada)	6.50	6.50	7.00 (1)	7.00	7.00	7.50 (2)	8.00 (3)	8.00	8.00	8.00	8.00	8.00
Interest Rates												
a) Savings deposited with Banks	5 (4)	5	5.31	5.50	5.50	5.81	6	6	6	6	6	6
b) Mortgages												
- N.H.A. (Maximum)	9 3/8	9 3/8	9 3/8	9 3/8	9 3/8	9 3/8	9.00	9.00	9 (5)	9	9	9
- Conventional source of financing	9.55	9	9	9	9-9 3/4	9 3/4	10.00	10-10	10-10.31	10.10-10	10-10 3/4	10-10 3/4
Government of Canada - Treasury Bills (new issues)												
- 91 days	6.36	6.31	6.62	6.66	6.75	7.03	7.49	7.65	7.75	7.68	7.71	7.78
-182 days	6.58	6.55	6.88	6.80	6.84	7.19	7.63	7.76	7.82	7.76	7.81	7.86
Miscellaneous												
Commercial paper: 90 days	6.60-6.85	6.69-6.84	6.75-7.00	6.72-7.06	6.90-7.875	7.22-7.59	7.85-8.10	8.09-8.50	8 1/16-8 1/4	8 1/16-8 5/8	8.28-8.63	8.66-8.99
Finance company paper: 12 months	6.63-6.85	6.59-6 7/8	6.75-6.91	6.69-7.50	6.93-7.275	7.19-7.59	7.75-7.90	8.06-8.41 (c)	8.19-8.47	8.18-8.5	8.16-8.53	8.66-8.97
Bank acceptances: 90 days	6.53-6.65	6.46-6.54	6.71-6.81	6.79-6.90	7.01-7.21	7.44-7.66	8.02-8.18	8.14-8.40	8.20-8.40	8.25-8.45	8.25-8.45	8.46-8.69
Day-to-day loans by chartered banks	5.80	5.34	5.89	6.36	6.72	6.98	7.40	7.57 (c)	7.77	7.71	7.78	7.74

(1) As from March 3, 1969. (2) As from June 11, 1969. (3) As from July 16, 1969. (4) As from mid-January 1969. (5) As from September 15, 1969.
(c) corrected.

SOURCE: Finance Section, Q.B.S.

TABLE 30

CURRENCY OUTSIDE BANKS AND
CHARTERED BANK DEPOSITS

CANADA

MONTH	1967		1968		1969	
	Millions of dollars	% variation	Millions of dollars	% variation	Millions of dollars	% variation
Jan.	21,333	1.74	24,149	- 0.50	27,580	- 0.08
Feb.	21,679	1.62	24,259	0.46	27,704	0.45
Mar.	21,954	1.27	24,514	1.05	28,053	1.26
Apr.	22,284	1.50	24,947	1.77	28,303	0.89
May	22,445	0.72	24,912	- 0.14	28,194	- 0.39
June	22,519	0.33	25,273	1.45	28,380	0.66
July	22,968	1.99	26,027	2.98	28,495	0.41
Aug.	23,300	1.45	26,447	1.61	28,460	- 0.12
Sept.	23,710	1.76	26,649	0.76	28,431	- 0.10
Oct.	23,896	0.78	26,881	0.87	28,586	0.55
Nov.	24,131	0.98	27,335	1.69	28,904	1.13
Déc.	24,271	0.58	27,601	0.97	29,116	0.73

SOURCE: Bank of Canada, Statistical Summary.

in federal government spending put a further curb on economic activity.

Heavy demand for funds by businesses, consumers and the public sector, coupled with reduced bank liquidity, accelerated the rise in interest rates.

Thus, the measures adopted during the past year are beginning to be keenly felt. The time of sustained credit growth is definitely over, but inflation and high interest rate are unlikely to fall to any extent in 1970.

Financing of consumer goods demand

Thanks to the amended Bank Act, which provides for a gradual liberalization of interest rates on bank deposits and loans, banking operations have been rapidly expanding in recent years. However, as a result of the restrictive measures taken, credit became tigher by mid-1969.

In spite of this, there was a bigger increase in consumer credit ($1,256 million) in 1969 than the year before. Still, that increase was only 3.6% above the 1968 increase ($1.212 million),which had topped the 1967 increase($816 million) by 48.0%.

Compared with 1968, there was no increase or, at any rate, a smaller increase, in consumer loans by chartered banks, caisses populaires, credit unions and savings banks. The restrictive monetary policies hit these institutions in particular and reduced their lending potential. Other consumer credit organizations, such as sales finance companies, department stores, loan associations, etc... were less affected by those measures. This is why many consumers turned to those sources of financing in 1969.

TABLE 39

NET INCREASE IN CONSUMER CREDIT

CANADA

	1967	1968	1969
	millions of dollars		
Retail Dealers			
- department stores	7	26	61
- furniture and appliances dealers	1	- 5	2
- motor vehicle dealers, instalment credit	1	- 2	-
- other retail dealers	17	24	22*
- oil company credit cards	16	27	27*
Sub-total	42	70	112*
Chartered banks (not including personal unsecured loans)	519	688	482
Consumer loan companies	140	210	260
Caisses populaires and credit unions	157	153	153*
Sales finance companies	- 79	20	154
Life insurance companies (policy loans)	36	67	92
Québec savings banks	1	4	3
Total	816	1,212	1,256*

* Estimated

SOURCE: Bank of Canada Statistical Summary.

Business financing

The net value of bonds issued by business corporations on the Canadian market in 1969 was $785 million, a decline compared with previous years. Shares, on the other hand, reached a total value of $933 million in 1969, 56.0% more than in 1968. Faced with the ever-growing cost of financing, some companies have increasingly taken to issuing shares in recent years to pay for their financing. In 1969, for the first time in the past decade, the net value of shares issued exceeded that of bonds.

There is no doubt that the assistance programmes introduced by the Government of Québec and the Federal Government constitute a major contribution to the financing of the development of existing busi-

TABLE 40

BUSINESS LOANS BY CHARTERED BANKS

CANADA

MONTH	1965	1966	1967	1968	1969
	millions of dollars				
Jan.	4,957	5,654	6,202	6,874	7,753
Feb.	5,057	5,744	6,204	7,156	7,922
Mar.	5,114	5,829	6,295	7,363	8,058
Apr.	5,197	5,872	6,380	7,270	8,319
May	5,229	5,974	6,432	7,272	8,409
June	5,453	6,063	6,492	7,297	8,503
July	5,682	6,191	6,706	7,525	8,554
Aug.	5,572	6,167	6,779	7,318	8,602
Sept.	5,587	6,135	6,868	7,445	8,583
Oct.	5,846	6,158	7,017	7,691	8,775
Nov.	5,666	6,162	6,997	7,592	8,790
Dec.	5,773	6,171	6,919	7,567	8,631

MONTH	1965	1966	1967	1968	1969
	% variation				
Jan./Dec.	0.6	- 2.1	0.5	- 0.6	2.5
Feb./Jan.	2.0	1.6	0.03	4.1	2.2
Mar./Feb.	1.1	1.5	1.5	2.9	1.7
Apr./Mar.	1.6	0.7	1.3	- 1.3	3.2
May/Apr.	0.6	1.7	0.8	0.03	1.1
June/May	4.3	1.5	0.9	0.3	1.1
July/June	4.2	2.1	3.4	3.1	0.6
Aug./July	- 1.9	- 0.4	1.1	- 2.7	0.6
Sept./Aug.	0.3	- 0.5	1.3	1.7	- 0.2
Oct./Sept.	4.6	0.4	2.2	3.3	2.2
Nov./Oct.	- 3.1	0.1	- 0.3	- 1.3	0.2
Dec./Nov.	1.9	0.1	- 1.1	- 0.3	- 1.8

SOURCE: Bank of Canada, Statistical Summary.

TABLE 41

PUBLIC SECTOR BORROWING

QUEBEC

		1965	1966	1967	1968	1969
		millions of dollars				
Province of Québec[1]	C.M.	299.1[2]	270.3[2]	205.0	225.0[3]	165.4[4]
	A.M.	-	-	45.0	75.0	50.0
	E.M.	-	-	-	103.3	75.0
Municipal Corporations[5]	C.M.	187.3	179.2	215.0	156.0	172.0
	A.M.	43.9	113.4	93.5	28.4	2.3
	E.M.	-	-	-	-	27.0
School Boards	C.M.	22.9	43.9	71.0	77.6	83.0
	A.M.	-	-	27.4	20.0	6.4
	E.M.	-	-	-	-	10.7
Hydro-Québec	C.M.	75.0	100.0	110.0	50.0	100.0
	A.M.	50.0	150.0	154.3	135.0	100.0
	E.M.	-	-	-	-	60.0
Hospitals	C.M.	n.a.	n.a.	n.a.	45.8	36.5
	E.M.	-	-	-	-	12.3
Universities	C.M.	-	-	-	27.0	41.6
	E.M.	-	-	-	-	6.2
CEGEP'S	C.M.	-	-	-	7.3	20.5

C.M. = Canadian Market; A.M. = American Market; E.M. = European Market

(1) Excluding Treasury bills.

(2) Including Government of Québec Savings Bond issues for $89,085,250 in 1965 and $65,281,250 in 1966, redeemable on demand at 5% - 5½%.

(3) Excluding $74,450,000 for Expo'67.

(4) Including $10,778,571 (Expo'67) due Apr. 1, 1977 and $1,551,000 (Expo'67) due July 1, 1972.

(5) Including issues by public tender, over the counter or by private contract, excepting bonds (annuities).

SOURCE: Finance Section, Q.B.S.

nesses. Small firms are hardest hit by this situation which could have disastrous consequences if it continued for any length of time.

Public sector financing

Just like the private sector, the public sector is confronted with an extremely tight money market. This explains the widespread recourse to European markets. In fact, all public organizations turned to that source of financing in the past year.

The sum of public sector borrowing in 1969 ($968.9 million) was somewhat higher than in 1968 ($950.4 million). The Government of Québec borrowed $290.4 million, of which $75 million came from European markets. This decrease in comparison with 1968 is offset in part by the increase in Hydro-Québec loans. The largest increases are accounted for by loans raised by CEGEP's, universities and municipal corporations. Borrowing on the part of school boards also remained at a high level.

TABLE 42

AVERAGE COST OF LOANS CONTRACTED BY MUNICIPALITIES AND SCHOOL BOARDS (1)

QUEBEC

		1965	1966	1967	1968	1969
				%		
Municipalities	C.M.	6.208	7.238	7.558	8.335	9.3587
	A.M.	5.063	6.381	6.465	7.318	8.065
	E.M.	-	-	-	-	7.320
School boards	C.M.	5.906	7.261	7.413	8.367	9.1715
	A.M.	-	-	7.054	-	8.339
	E.M.	-	-	-	-	7.361

(1) Includes issues by public tender, over the counter or by private contract, excepting bonds (annuities).

C.M. = Canadian Market A.M. = American Market. E.M. = European Market

SOURCES: Finance Section, Q.B.S.
Economic Appraisal Service, Economic Analysis Branch.

The above table demonstrates how interest rates have escalated in recent years. In fact, within the last five years rates have almost doubled.

CONCLUSION AND FORECAST FOR 1970

The behaviour of most economic indicators proves that the trend has been changing in recent months. The restrictive measures adopted in 1968 and 1969 are obviously producing results. There has been a considerable slackening of economic activity and the Canadian unemployment rate is slowly going up. Nevertheless, prices continue to rise at an inflationary rate.

Under the circumstances, neither the U.S. Government nor the Canadian Government dares take immediate steps towards a major relaxation of the restraints imposed for fear that this might boost inflation. On the other hand, the prolongation of monetary, fiscal and budgetary restraints may lead to a recession. The regions that are hardest hit by these measures are precisely those where inflationary pressures are practically non-existent. For the sake of the Québec economy and that of the Atlantic provinces it is to be hoped that there will be a change in policy as soon as possible.

Scarceness of liquidity and high interest rates hurt most of all small and medium-sized businesses. Obviously, a manufacturer who is hard put to finance his working capital is in no position to undertake expansion projects. There is no doubt that the government aid programmes help businesses to grow, but they can only partly offset monetary restrictions.

Any new curb on demand by putting the squeeze on consumer credit, for instance, is likely to create more unemployment in Québec without appreciably checking price increases which are already well below the over-all Canadian level.

There are also indications that it will be increasingly difficult to limit price increases to a rate of less than 2.0% a year without swelling the ranks of the jobless. The fact that the tertiary sector, with its far slower productivity gains, now has a bigger share of the economy is not irrelevant to the present situation.

In the present context it would be unrealistic to envisage a GNP growth of more than 3.0% in real terms. Even allowing for an early relaxation of present restraints, no improvement in the business outlook is likely to occur before the last months of 1970.

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TABLE I

LABOUR, EMPLOYMENT, UNEMPLOYMENT

QUEBEC - ONTARIO - CANADA

	QUÉBEC			ONTARIO			CANADA		
	1968	1969	1969/68	1968	1969	1969/68	1968	1969	1969/68
	'000		%	'000		%	'000		%
Labour	2,227	2,290	2.8	2,934	3,032	3.3	7,919	8,162	3.1
Male	1,554	1,583	1.9	1,984	2,032	2.4	5,443	5,560	2.1
Female	673	707	5.1	950	1,000	5.3	2,476	2,602	5.1
Non-farm labour	2,103	2,180	3.7	2,788	2,893	3.8	7,363	7,618	3.5
Male	1,446	1,490	3.0	1,864	1,917	2.8	4,958	5,091	2.7
Female	657	690	5.0	924	976	5.6	2,405	2,527	5.1
Employment	2,082	2,132	2.4	2,830	2,936	3.7	7,537	7,780	3.2
Male	1,436	1,460	1.7	1,910	1,965	2.9	5,146	5,272	2.4
Female	646	672	4.0	920	971	5.5	2,391	2,508	4.9
Non-farm employment	1,961	2,025	3.3	2,687	2,800	4.2	6,992	7,245	3.6
Male	1,331	1,370	2.9	1,792	1,852	3.3	4,671	4,811	3.0
Female	630	655	4.0	895	948	5.9	2,321	2,434	4.9
Unemployment	145	158	9.0	104	96	- 7.7	382	382	-
Male	118	123	4.2	74	67	- 9.5	297	288	- 3.0
Female	27	35	29.6	30	29	- 3.3	85	94	10.6

SOURCE: Labour Force (71-001), D.B.S.

TABLE II

VALUE OF BUILDING PERMITS
(seasonally adjusted)
QUEBEC

MONTH	1965	1966	1967	1968	1969
		RESIDENTIAL AND NON-RESIDENTIAL			
		$'000			
January	72,555	71,314	51,831	84,407	95,228
February	81,227	68,779	43,772	99,065	101,399
March	70,574	71,393	57,065	90,706	83,857
April	67,382	71,515	62,550	74,751	71,752
May	63,293	62,004	66,476	91,665	61,292
June	110,510	47,058	59,841	106,214	53,814
July	82,837	46,987	64,830	136,091	75,623
August	64,292	74,406	73,395	66,805	76,995
September	76,082	66,852	65,428	69,247	87,589
October	73,680	61,785	71,433	76,791	59,448
November	61,896	60,374	53,508	92,805	61,479
December	73,919	48,401	95,416	71,184	
		RESIDENTIAL *			
		$'000			
January	34,158	36,178	23,133	30,646	45,670
February	34,944	31,578	25,453	39,563	58,234
March	29,992	26,646	27,854	43,472	33,670
April	29,468	23,300	37,615	30,661	34,677
May	30,252	29,331	36,779	32,783	28,383
June	39,374	22,007	39,108	30,946	30,483
July	26,132	24,382	36,147	35,976	26,976
August	35,321	39,051	35,961	29,891	26,797
September	41,719	33,166	30,153	36,407	38,206
October	47,240	31,543	33,390	36,189	35,010
November	32,756	34,572	23,108	52,310	28,974
December	37,570	27,318	39,285	41,161	

* Excluding repairs.

SOURCE: Building Permits (64-001), D.B.S.

TABLE III

INVESTMENT
PRIMARY SECTOR
QUÉBEC

		1965	1966	1967	1968	1969*
		millions of dollars				
Agriculture and Fisheries						
Capital expenditure	- Construction	41.8	59.4	59.0	56.9	58.9
	- Machin. & Equip.	72.9	85.1	94.5	93.6	98.7
	- Total	114.7	144.5	153.5	150.5	157.6
Repair expenditure	- Construction	13.2	18.6	18.5	17.9	18.5
	- Machin. & Equip.	18.9	21.9	27.0	28.3	29.4
	- Total	32.1	40.5	45.5	46.2	47.9
Forestry						
Capital expenditure	- Construction	7.6	6.7	6.7	4.6	5.7
	- Machin. & Equip.	8.0	9.5	12.6	9.4	9.1
	- Total	15.6	16.2	19.3	14.0	14.8
Repair expenditure	- Construction	4.0	4.9	6.7	4.7	4.4
	- Machin. & Equip.	5.6	6.5	10.8	11.8	13.2
	- Total	9.6	11.4	17.5	16.5	17.6
Mining						
Capital expenditure	- Construction	22.9	20.4	23.3	37.4	38.4
	- Machin. & Equip.	25.3	29.2	22.9	25.7	21.8
	- Total	48.2	49.6	46.2	63.1	60.2
Repair expenditure	- Construction	5.4	5.9	6.8	8.8	8.3
	- Machin. & Equip.	53.9	57.7	45.5	51.8	49.9
	- Total	59.3	63.6	52.3	60.6	58.2
Primary sector						
Capital expenditure	- Construction	72.3	86.5	89.0	98.9	103.0
	- Machin. & Equip.	106.2	123.8	130.0	128.7	129.6
	- Total	178.5	210.3	219.0	227.6	232.6
Repair expenditure	- Construction	22.6	29.4	32.0	31.4	31.2
	- Machin. & Equip.	78.4	86.1	83.3	91.9	92.5
	- Total	101.0	115.5	115.3	123.3	123.7

* Preliminary

SOURCE: Private and Public Investment in Canada (61-205), D.B.S.

TABLE IV

AGRICULTURE

GROSS PRODUCTION VALUE

QUEBEC

	1965	1966	1967	1968	1969*
			$'000		
1. Total cash receipts	504,755	612,605	623,621	634,602	668,400
2. Supplementary payments, deficiency and other payments	16,720	58,569	45,955	43,367	49,500
3. Income from sale of farm products (1 - 2)	488,035	554,036	577,666	591,235	618,900
4. Income in kind (own consumption)	70,895	71,679	72,714	77,933	82,600
5. Inventory changes	- 8,527	7,303	2,818	4,437	4,000
6. Rental value (included under income in kind)	37,872	40,418	42,677	47,694	50,000
7. Gross production value (3 + 4 + 5 - 6)	512,531	592,600	610,521	620,911	655,500
% variation		15.6	3.0	1.7	5.7

* Estimated.

SOURCES: Farm Net Income (21-202), Farm Cash Receipts (21-001), D.B.S.;

Agriculture Section, D.B.S. and Economic Appraisal Service, Economic Analysis Branch.

TABLE V

AGRICULTURE
REMUNERATION OF LABOUR
QUEBEC

	1965	1966	1967	1968	1969*
			$'000		
1. Gross production value	512,531	592,600	610,521	620,911	655,500
2. Operating expenses and depreciation charges	424,968	474,146	505,920	507,956	529,450
3. Salaries and wages	29,950	29,720	32,194	33,945	33,600
4. Supplementary payments, deficiency and other payments	16,720	58,569	45,955	48,367	40,500
5. Remuneration of labour (1 - 2 + 3 + 4)	134,233	206,751	182,750	195,267	209,150

* Estimated.

SOURCE: Farm Net Income (21-202), Farm Cash Receipts (21-001), D.B.S.

Agriculture Section, D.B.S. and Economic Appraisal Service, Economic Analysis Branch.

TABLE VI

FISHING AND TRAPPING
GROSS PRODUCTION VALUE
QUÉBEC

	1965	1966	1967	1968	1969*
			$'000		
Landed value of fish					
Offshore fishing -	2,658	3,077	3,438	3,955	4,517
Inshore fishing -	3,621	3,617	3,842	4,057	4,096
Total -	6,279	6,694	7,280	8,012	8,613
Seals	189	258	139	104	76
Fur bearing animals (value of pelts obtained by trappers) (1)	1,927	1,743	1,215	1,558	2,200
TOTAL (2)	8,520	8,820	8,759	9,799	11,014

* Preliminary.

(1) Accounts for 75% of commercial value and includes pelts furnished by some 1,000 Indians not included in the civilian labour force.

(2) Includes estimated value of fish consumed by the fishermen themselves.

SOURCES: Fisheries Section, Q.B.S. and Department of Tourism, Fish and Game.

TABLE VII

FISHING AND TRAPPING

LABOUR EMPLOYED

QUEBEC

	1965	1966	1967	1968	1969*
			number		
Offshore fishing	615	640	680	667	700
Inshore fishing	3,302	3,063	3,240	3,512	3,800
TOTAL (1)	5,417	5,203	5,420	5,679	6,000

* Estimated.

(1) Includes approximate number of full-time trappers.

SOURCES: Fisheries Section, Q.B.S. and Department of Tourism, Fish and Game.

TABLE VIII

FISHING AND TRAPPING
REMUNERATION OF LABOUR
QUÉBEC

	1965	1966	1967	1968	1969
			$'000		
Offshore fishing[1]	1,647	1,770	1,628	2,328	2,700*
Inshore fishing[2]	2,487	2,484	2,639	2,706	2,704*
Seal catch	189	258	139	104	76
Total - fishermen[3]	4,448	4,637	4,531	5,343	5,085*
Trapping (75% of commercial value)	1,927	1,743	1,215	1,558	2,200
Total - fishing and trapping	6,375	6,380	5,746	6,901	7,285

* Estimated.

(1) Based on data supplied by the Fisheries Section, D.B.S.

(2) Based on 1965 survey by D.B.S. of 257 coastal vessels.

(3) Includes value of fish consumed by the fishermen themselves, estimated at $125,000 annually.

SOURCE: Economic Appraisal Service, Economic Analysis Branch.

TABLE IX

FOREST PRODUCTION (LOGGING)

QUÉBEC

	VOLUME					GROSS VALUE				
	1965	1966	1967	1968	1969	1965	1966	1967	1968**	1969**
	'000 cu. ft.					$'000				
Pulpwood	551,298	623,390	618,375	562,995*	563,000**	162,139	198,938	220,410	188,632	191,536
% variation		13.1	- 0.8	- 9.0	-		22.7	10.8	- 14.4	1.5
Logs and bolts	297,762	285,058	298,200	307,631*	338,394**	77,680	80,845	88,155	95,461	110,239
% variation		- 4.3	4.6	3.2	10.0		4.1	9.0	8.3	15.5
Other products	86,649	85,567	83,080	81,500**	80,000**	15,040	15,013	12,589	12,577	12,474
% variation		- 1.2	- 2.9	- 1.9	- 1.8		- 0.2	- 16.1	- 0.1	- 0.8
Total	935,709	994,015	999,655	952,126**	981,394**	254,859	294,796	321,154	296,670	314,249
% variation		6.2	0.6	- 4.8	3.1		15.7	8.9	- 7.6	5.9

* Preliminary.

** Estimated.

NOTE: Firewood accounts for over 80% of "other products" and for 75% of its value; the rest consists of poles and stakes, pit-props, pegs, slats for fences, wood for charcoal, etc.

SOURCES: Logging (25-201), Pulpwood and Wood Residue Statistics (25-001); Production, Shipments and Stocks on Hand of Sawmills East of the Rockies (35-002), D.B.S. Economic Appraisal Service, Economic Analysis Branch.

MINING

GROSS PRODUCTION VALUE

QUEBEC

	1965	1966	1967	1968	1969
			$'000		
METAL ORES					
1. Metals excluding iron ore but including cost of smelting	271,809	309,255	283,193	260,566	n.d.
2. Cost of smelting	54,330	62,746	39,565	46,217	n.d.
3. (1 - 2)	217,479	246,509	243,628	214,349	223,000*
4. Iron ore (excluding cost of transportation)	124,365	115,166	126,892	121,724	96,000*
5. All metal ores (3 + 4)	341,844	361,675	370,520	336,073	319,000*
NON-METALLIC ORES					
6. Industrial minerals (total value)	164,676	171,097	172,804	189,420	197,449**
7. Titanium dioxide (included in value of metals at extraction level)	22,425	20,505	23,737	28,016	29,067**
8. Industrial minerals (value at extraction level)(6 - 7)	142,251	150,592	149,067	161,404	168,382**
9. Structural materials (sand, gravel and stone)	71,144	77,689	69,417	57,037	55,825**
10. All non-metallic ores (8 + 9)	213,395	228,281	218,484	218,441	224,207**
GROSS PRODUCTION VALUE AT EXTRACTION LEVEL (5 + 10)	555,239	589,956	589,004	554,514	543,207

* Estimated.

** Preliminary.

NOTE: Clay products, cement and lime have been excluded, as they are covered by manufacturing statistics.

SOURCES: Mineral Section, Q.B.S. and Economic Appraisal Service, Economic Analysis Branch.

TABLE XI

FORESTRY (LOGGING)
WAGE-EARNERS, WAGES AND PAYROLLS
QUÉBEC

Year	Wage-earners	Weekly Wages and Salaries	Payrolls
	Number	$	$'000,000
1965	21,900	93.89	124
1966	22,900	109.49	153
1967	24,300	116.36	171
1968	20,100	122.40	148
1969*	19,900	132.04	158

* Estimated.

SOURCES: Estimates of Employees by Province and Industry (72-008), D.B.S.; Employment and Average Weekly Wages and Salaries (72-002), D.B.S.; Economic Appraisal Service, Economic Analysis Branch.

TABLE XII

MINING
WAGE-EARNERS, WAGES AND PAYROLLS
QUÉBEC

Year	Wage-earners	Weekly Wages and Salaries	Payrolls
	Number	$	$'000,000
1965	26,000	106.46	161
1966	26,500	112.55	177
1967	26,300	119.42	188
1968	25,400	128.75	196
1969*	24,900	136.35	203

* Estimated.

SOURCES: Estimates of Employees by Province and Industry (72-008), D.B.S.; Employment and Average Weekly Wages and Salaries (72-002), D.B.S.; Economic Appraisal Service, Economic Analysis Branch.

TABLE XIII

ELECTRIC POWER
GROSS PRODUCTION VALUE
QUEBEC

		1965	1966	1967	1968*	1969*
				$'000		
Revenue from sale of electricity to customers:						
	Industrial (1)	138,398	152,940	158,697	228,690	238,093
	Commercial	50,754	51,982	66,396	77,275	101,613
	Domestic and farm	101,924	110,082	132,718	136,625	167,572
	Street lighting	6,092	7,161	8,338	9,241	9,500
	Other provinces and abroad	13,282	16,197	13,651	12,588	11,624
Own consumption (not sold) (2)		78,363	64,933	69,047	(4)	(4)
Losses and unaccounted for (3)		28,341	34,103	37,352	42,143	29,534
LESS:	Purchases from other provinces and abroad	508	269	305	433	431
Gross production value		416,646	437,129	485,894	506,129	557,505

* Estimates based on average value of each category in 1967.

(1) Includes power sales by industries with their own generating facilities to industries with or without such facilities.

(2) Estimates based on average industrial sales for each year.

(3) Estimates based on average total sales for each year.

(4) No separate figures are available; they are included in industrial sales total.

SOURCE: Electric Power Statistics (57-001 and 57-202), D.B.S., and Economic Appraisal Service, Economic Analysis Branch.